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BUILDING & LOAN ASSOCIATIONS

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MUTUAL BENEFIT

BUILDING AND LOAN ASSOCIATIONS:

THEIR

HISTORY, PRINCIPLES, AND PLAN
OF OPERATION;

TOGETHER WITH A

STATEMENT OF THE BENEFITS ATTENDING THEM,

AND OF THE

Distinction between American and English Societies;

ALSO,

A MODE BY WHICH LIFE INSURANCE MAY BE ADAPTED
TO THE REQUIREMENTS OF THEIR MEMBERS;
A FORM OF CONSTITUTION, ETC.

CHARLESTON:
WALKER AND JAMES.
1852.

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PREFACE.

The Editor of this little work acknowledges himself largely indebted to "A Guide to Benefit Building Societies," by J. H. James, Esq., London, 1849; and a "Practical Treatise" on the same subject, by Wm. Stone, Esq., London, 1851. He has freely used the material furnished by these gentlemen, making such changes and additions of his own as would adapt the present publication to the character and wants of the Associations in this country.

These Societies occupy a prominent position among the social institutions of England, and but require to be better known in order to their more general adoption in the United States.

When starting them in this city, about eighteen months since, the writer had no little difficulty in obtaining the information requisite to the incipiency of such a movement, owing to the absence of any suitable work on the subject. This desideratum he

has here attempted to supply. The design of the following treatise is to give a plain and practical exposition of their principles and plan of operation, and to show how they may be conducted to the best advantage and success. It is hoped it may prove useful as a manual to stockholders, and a guide in the formation of new Societies, and also serve to diffuse a more correct and extended knowledge of the nature of these truly valuable institutions.

Charleston, S. C., Jan. 8, 1852.

BUILDING AND LOAN ASSOCIATIONS.

CHAPTER I.

HISTORY AND DESIGN OF BUILDING AND LOAN ASSOCIATIONS.

The present age, so remarkable in every respect as an age of progress, in nothing more deserves this distinction than in its many organized efforts to elevate and improve the condition of the humbler classes of society,—to break down the aristocracy of rank and wealth, and raise mankind to the level of a common brotherhood.

We do not refer to those wild Utopian schemes of communism, which, by destroying all legitimate rights and distinctions, sap the very foundations of social order and prosperity; but, to the many means of a sound and practical nature, that look to the right development of individual character and enterprise,—that hold forth to honest industry its proper reward, and to the lowest the hope of promotion; and which, by relieving the poor of the degrading privations of their lot, enhance their comfort, respectability, and usefulness. Few existing organizations are likely to contribute more to these results than Building and Loan Associations.

These societies, if we have correctly traced their history, originated in the south of Scotland. The first institution of the kind was established at Kircudbright, in 1815, under the immediate auspices of the Earl of Selkirk,—a gentleman of large fortune, and of liberal and enlightened views, who is said to have devoted no little time and study to the perfecting of this truly noble and philanthropic scheme. They thence gradually extended into the manufacturing districts of England, then into Wales; were afterwards established in London, and soon became general throughout Great Britain. So extensively have they spread and multiplied in that country, as now to number (according to a late report of the Registrar) two thousand and fifty societies, with an annual income of *four millions sterling;* the whole of which is advanced from time to time on the security of real property, chiefly consisting of new buildings,—thus conferring an immense benefit on various branches of industry and trade. On account of their number, the large amount of active capital they employ, and the very beneficial influence they exert upon the industrious and middle classes, they have attracted the special attention of the British Parliament, and secured several enactments in their favor. In the year 1836, an act was passed, affording the most ample facilities for their formation and control. The preamble states, "that certain societies, commonly called Building Societies, have been established in different parts of the kingdom, chiefly amongst the industrious classes, for the purpose of raising by periodical subscriptions a fund to assist the members thereof in obtaining a small freehold or lease-

hold property; and it is expedient to afford protection and encouragement to such societies, and the property obtained therewith." This preamble clearly shows that the legislature were convinced of the utility and importance of these institutions, and that they deserved all the legal sanction and support that could be given them.

They were introduced into this country about ten or twelve years since, and have operated very successfully in several of the Northern cities; in Philadelphia, whole districts have been built up through their exclusive instrumentality. They have recently been established in Charleston, Savannah, and other prominent places in the South; and we are satisfied that, upon their principles becoming more thoroughly understood, every town or village of any size, in the land, will possess one or more of them. Three Associations have been in existence in this city (Charleston, S. C.) but little over a year, and have in that time invested upwards of *ninety thousand dollars* in real estate. The expenditure of such a sum of money upon this species of property, has, of course, very favorably affected it; creating an increased demand, and thereby enhancing its value. It has also led to the erection of a number of new dwellings, furnished many families with homes of their own, that could not otherwise have possessed them, given a considerable impulse to mechanical enterprise, and in many other ways promoted the prosperity and welfare of the community.

The primary OBJECT of these Associations, is to enable every man to become *his own landlord*—to purchase a home for himself and family, by simply paying into a joint concern, for

a few years, but little if any more than would otherwise have been expended in rent. By uniting the savings of their individual members, a capital is created, and distributed into and among the hands that rear it, in the form of real estate.

It is evident, that many individuals combining together, could make small sums of money far more productive than these sums could be made separately. When it is considered that a number of persons save money by the mere process of *hoarding*, and without making one farthing of interest—that money thus saved is of no use to any one while the saving of it is in progress,—and that by the instrumentality of Building Societies, money is from the very commencement kept actively employed, continually producing and reproducing at a wonderful rate of increase, and yet afforded to the borrower on more advantageous terms than by any other kind of loan—the usefulness of these Associations becomes manifest.

In fact, their leading principle is, that "money makes money," if well used; and in the following chapter the practical working out of this axiom will be fully explained with reference to these institutions, by which their great utility and importance will be more readily recognized and understood.

CHAPTER II.

THEIR MODE OF OPERATION.

We have stated it to be the aim of these societies to enable persons in the humbler ranks of life to become *owners* of real property, instead of continuing mere *renters* of it; and we come now to speak of the particular mode by which this object is achieved. To accomplish it among persons of large, or even moderate means, might not be a difficult task; but to effect it among the mass of the industrious classes, whose resources generally are very restricted, involved a problem of no easy solution. Such persons have hitherto, to a very great extent, been shut out from so desirable a privilege, chiefly by the difficulty which too frequently attends the isolated efforts of individuals to obtain an end seldom to be reached but by a *combination of labor and capital.* Nothing less, therefore, than the association of individual energies and means, and the simultaneous operations of renting and purchasing the property desired, can avail; and this is precisely what is proposed by these societies. By the present system of house-tenancy, the *many* pay rents for the benefit of the *few;* by this plan the *many* combine together so as to put the rents into their own pockets.

Under ordinary sales of property, a large present sum of money is required. This deficiency could and has been frequently met by persons engaged in trade; who, having the

facilities for obtaining an advance upon the property purchased, to the extent, say, of two-thirds of its value, and possessing a sum at their own command sufficient to cover the difference, might, in a reasonable time, from the future profits of their business, be able to discharge the encumbrance. The position of a laboring man, however, is wholly different; his surplus earnings, above the amount absolutely required for his personal support and that of his family, are inadequate to the purpose. An arrangement of a very different kind was then found to be requisite;—that of creating a common fund from the periodical contributions of individuals, from time to time available, as far as its amount would allow, to loan to each contributor a sum sufficient to buy for him a house, or other suitable property; so that when all the subscribers had been either supplied with such property, or with a return of their money and their proportionate profits thereon, the purchased property of the members would be freed from the charge necessarily laid upon it by the mortgage previously given to the society, all the members would be released from their respective engagements, and a dissolution of the society take place; it having accomplished the purposes of its organization.

As to the details of the plan, they may be thus stated:

1. The Association is a mutual benefit and stock company.

2. Each share of stock is one dollar a month, paid in monthly during the term of the Association's existence.

3. The entire amount paid in each month is put up at a monthly meeting of the stockholders, and sold to the highest bidder or bidders among them, at a premium. This premium

is deducted from the gross amount, and the person bidding receives the balance; and is required to secure the Association for the advance by a mortgage on real estate, equal in value to the *net* sum which he receives.

4. A stockholder is allowed to bid for two hundred dollars on each share he holds; and after he has borrowed, pays, in addition to his monthly dues for shares, six per cent. per annum on the amount for which he bids. This interest is paid in monthly with the shares.

For instance: Suppose the capital stock of an Association to be one thousand shares; at least one thousand dollars will then be paid in and sold out each month. Suppose an individual holding five shares, bids at a monthly meeting for the whole amount at twenty per cent. premium; he receives eight hundred dollars, the net sum after the premium is deducted, and is required thereafter to pay, in addition to his five dollars monthly for shares, six per cent. on a thousand dollars—which would be sixty dollars a year, or five dollars a month. In other words, he pays five dollars monthly for his shares, and the same amount as interest, while the Association lasts.

5. The Association winds up when it is able to divide two hundred dollars to each share of stock. The stockholder who has purchased an advance, is debited in his account with the premium he has bid. Thus, if he own five shares, and has bid for a thousand dollars at twenty per cent., (as in the case supposed,) he receives eight hundred dollars, which, in the winding up of the Association, is accounted a full settlement—the premium being the clear profit of the Association.

In addition to the profit derived from premiums, the Association, by loaning out with its other funds the amount paid in monthly for interest, actually compounds interest twelve times a year, while its individual stockholders are paying but simple interest. By this rapid mode of multiplying money, these societies are generally enabled to wind up in from five to eight years, never exceeding, as far as we have learned, the last named period.*

* The details of the plan may be yet further understood by reference to the Form of Constitution, appended towards the close of this work.

CHAPTER III.

ADVANTAGES AND BENEFITS OF THESE INSTITUTIONS.

Having described the plan of Building Associations, we proceed to consider the advantages they afford their individual members, and the general benefits derived from them.

It is evident that the prosperity of these societies chiefly consists in the constant use of their income by borrowers; but unless it can be shown that superior advantages may be secured by obtaining an advance of money in this way, beyond any other, we cannot expect them to be regarded by the public with special favor. It will be very readily seen, however, that these superior advantages really exist.

At first sight, indeed, it might seem to be an oppressive and usurious mode of loaning money,—the borrower being required to pay a premium at the outset, and thereafter an interest of six per cent., not simply on the amount he actually receives, but the amount for which he bids; and this would be its character if the borrower and lender were here distinct parties, as is the case in ordinary loans. But in this instance, an individual borrows from a concern of which he is himself a component part, and derives his proportionate profit from the investment and re-investment of the very premium and interest that he pays for the loan. So great is this difference in his favor, that borrowing from the Association even at forty per cent. premium, (an extreme case,) and paying an interest

beside of six per cent., he does not really pay as much as the man who borrows in the ordinary way at seven per cent.* To illustrate: An individual owning five shares bids for a thousand dollars at forty per cent.; this would be four hundred dollars on the thousand, leaving him six hundred dollars net. For the use of this six hundred dollars he pays six per cent. on a thousand dollars, beside his shares, which are five dollars a month; that is, he pays, in all, one hundred and twenty dollars a year. Supposing the Association to continue six years, (and, at the rate of premium named, it is not likely to exceed this period,) he will have paid seven hundred and twenty dollars for the use of six hundred.

Suppose, on the other hand, that an individual borrows, in the ordinary way, six hundred dollars at seven per cent. interest; this would be forty-two dollars interest a year. In six years he will have paid two hundred and fifty-two dollars. He then refunds the principal, making, in all, eight hundred and fifty-two dollars he pays for the use of six hundred—leaving an advantage in favor of the borrower from the Association of one hundred and thirty-two dollars.

Which may be thus stated:

An ordinary loan would require the payment of the principal, - - - -	$600
Six years' interest, at seven per cent. -	252—852.00
The Building Association would require the payment of five dollars monthly, for shares, for six years, - - - -	$360

* Seven per cent is the legal rate of interest in this State, (South-Carolina;) but the comparison holds equally good as to six per cent., and even five; as may be readily seen by a similar calculation.

Six years' interest on one thousand dollars, at six per cent., - - - - -	360—720.00
Balance in favor of Association, - -	$132.00

The foregoing instance, though decidedly in favor of Building Associations, shows, however, only the actual payments made by the borrower on the sum advanced, without allowing anything for compound interest either way; and inasmuch as the yearly payments of interest on an ordinary loan are less than the instalments to the Association, the amount of compound interest would be in favor of the former, if it were assumed that the borrower could make compound interest on the small sums paid monthly to the Association. But this cannot be fairly assumed; on the contrary, it may reasonably be supposed that such small sums of money would from time to time remain idle and unproductive, and at the best could yield but a trifling advance.

Another, and a very great advantage is, that the Association loans to the full value of the property mortgaged; and not merely to two-thirds or three-fourths of the value, as in ordinary loans. This it is enabled to do, not only because the borrower begins at once to pay back portions of the principal money, thus lessening the risk, and continuing to do so from month to month, by his periodical payments; but also, because the Association has already received from him a premium, which, being its own exclusive profit, enhances the security. So that, while it is as safe in loaning to the full value of the property, as in other cases where but a partial advance is made, it confers a much greater benefit on the borrower; for,

even if he possess of his private means an available amount equal to the third or fourth of the purchase-money, he is enabled to appropriate it to his business, or in some other way, and by its investment may be assisted in paying his dues to the Association. But how many are there who cannot command this balance? If a poor man desires to purchase property worth a thousand dollars, the utmost advance he could obtain in the ordinary way would be but six or seven hundred dollars;—where are the remaining three or four hundred dollars to come from? To him, such a sum is an obstacle more formidable than thousands might be to others. He would thus be completely debarred the privilege of a purchase, did not the Association remove the difficulty by advancing the full amount.

Perhaps a still more important consideration is, that the return payments are made in small and convenient sums, paid monthly; and not in a bulk, at any one time, as in ordinary loans. How many, after having paid interest for years on an advance, are compelled to suffer their property to be sacrificed, from an inability to meet the mortgage upon it at maturity? It is true, that no one ought to borrow money without considering carefully in what way he shall redeem it, or pay it back again. If a person be careless or thoughtless with reference to this important rule, either he or his family are sure sooner or later to suffer the consequences of his imprudence, in the sacrifice of his property by forced sale, or otherwise; but yet, the danger in such a case is too apt to be overlooked until the mischief is done. An individual purchasing proper-

ty by means of a loan, will find it easier for the time being to pay six or seven per cent. for the money he has borrowed on a mortgage of it, than ten or twelve per cent. of its value in the form of rent. And in this way he may go on pleasantly enough for a few years, keeping the interest regularly paid; but the time comes when the principal money is required by the lender, which often happens when it is difficult to obtain the money. In this way property is often sacrificed, or a great loss sustained.

In a majority of cases of mortgages of house property, the mortgagers are persons actively engaged in business, and have but little time to devote to the consideration of their private affairs; and if they have time, it is only occasionally that men in such circumstances look forward to the future, and after they have borrowed money, set to work to consider when and how they shall redeem it. The pressing occurrences of every-day life attract and absorb their attention. They think that "sufficient for the day is the evil thereof," and if they make provision for the payment of the yearly or half-yearly interest, they think they have done enough, and leave the rest to take care of itself. It does not occur to them that a mortgage of property is, in fact, an absolute transfer of it to another party until the money is repaid; that they subject themselves to the caprice of the lender, and to any casualty that may unexpectedly occur to him, and in all probability will be called upon, when they least expect it, to repay the principal money.

We have already stated, that persons holding property under mortgage pay less, for the time, than would be required

for rent; and if they were provident enough to save the difference, and lay it by for the purpose of redeeming the property which is not yet their own, then they may succeed in securing its full possession. But if, on the other hand, they live at a greater expense than before, and treat the surplus as income which they may well afford to spend, and consider themselves as living rent-free, and that the only provision they have to make is for the payment of the interest;—such a course is sure to dispossess them of the property they had fondly fancied their own; and the "evil day" probably arrives when the unfortunate victim of this snare is advanced to a time of life, at which he is less able to cope with his difficulties and retrieve his position.

Now it is well known that this picture is practically true, and of frequent occurrence in populous towns where the facilities for borrowing exist. Some few, indeed, succeed and pass through the enticements and difficulties which surround them; but the majority fail in the trial, and after various vicissitudes, they are often reduced, with their families, to poverty, and their property passes into more fortunate hands. It may be said that this is in the nature of things, and cannot be avoided; but it is evident that Building Associations are the exact remedy for this evil; by joining them a person is *constrained*, as it were, to be provident. Instead of appropriating any surplus means to support a more expensive style of living, he is compelled to apply them in making good his payments to the Association. These payments being made monthly, he has a constant stimulus to economy—one that he is not likely

to resist; for no man will suffer his property to be sacrificed by neglecting the regular payment of small sums that would, in a few years, release it from all encumbrance. But on the other hand, when the payment of the principal is to be made in a bulk, and at a remote period, one is too apt, as we have shown, to neglect the proper preparation to meet it; and beside, he may, even with the utmost foresight and prudence, be thrown into circumstances that would render him unable to pay a large sum at one time, and yet might not interfere with his monthly payments to the Association.

While the difficulties incident to an ordinary mortgage are thus obviated, and a man of family enabled, by the regular appropriation of small amounts from time to time, to become, in a few years, the owner of a homestead, and is thus freed from the consuming moth of house rent, and all the evils of mere tenancy,—the Association also affords to those who do not desire to purchase dwellings for their own use, an admirable opportunity for safe and profitable investment. By letting out the property to others, the rent may be made to pay in part, if not altogether, their dues to the Association; and by this means they may come into full possession of it at a very trifling cost. To mechanics, especially, who can build more advantageously than others, the facilities thus furnished for becoming owners of real estate are very considerable.

Enough, we trust, has been said to prove the superior advantages to be obtained by borrowing money of Building Associations on real security, as compared with any other mode hitherto in practice, and there can be no doubt that

they will be more frequently resorted to, and more thoroughly appreciated, when their peculiar capabilities are better understood by the public. It is evident that they deserve more general attention and support, and that they are calculated to prove extremely beneficial, by encouraging those who are inclined to save and secure property for themselves, to persevere in economical and prudent habits, and by enabling them to realize these objects in an easy and convenient manner, the attainment of which would otherwise prove very difficult, if not altogether impossible.

While such are the advantages held forth to individual borrowers, the benefits which these societies confer upon the community, are by no means inconsiderable. It must be admitted to be a very important part of political economy to promote providence and industry among all classes of society, and particularly those whose circumstances can only thus be rendered comfortable, and be attended with contentment and independence. In this respect these Associations are calculated to effect an unlimited amount of good, by the encouragement of careful habits in the classes alluded to, and the inducements held out to them to become owners of real property. Creating among a greater number a permanent interest in the soil, and, consequently, in the institutions of the country, they tend greatly to lessen that curse of all large communities—a fluctuating and unsettled population; and are subversive of any inclination to interfere with the rights of property, inasmuch as their members are themselves concerned in maintaining these rights, and the laws that protect them. So that,

in both a moral and political point of view, these societies assume a position of vital importance.

Then, again, with regard to their constitution, one very important advantage is, that the members have a voice in the management of the business relating to them, and have opportunities, from time to time, of hearing how the affairs of the concern proceed. This feature secures for these societies the sympathies of the people, and is accordant with the spirit of our free institutions. The power thus given to members induces them to attend the meetings, and to feel a decided interest in what takes place. And as the benefits of these Associations are by no means confined to the laboring man, but extend to persons in almost every rank of life, the different classes of society are in this way brought together, and having one common object in view, a bond of union arises between them which creates kindly feelings; they are prepared to receive assistance from each other, to feel their mutual dependence, and a great public good is achieved. For, nothing is more calculated to moderate, if not altogether to prevent, the jealousy which too frequently arises from class interest, and to foster that mutual confidence and good-will which in this country is the great secret of our contentment, insuring as it does self-reliance and the true spirit of independence, than this kind of combination. To all this it may be added, that these institutions rest upon the strongest possible security—that of real estate; and are guarded as fully against all contingencies and risks as any monied institutions can possibly be.

Though so beneficial in their operation, yet the nature and principles of these societies are too generally misunderstood; so that by many they are confounded with mere schemes of speculation and monopoly. This misapprehension can only be ascribed to that prejudice which prevails against anything new, and which often precludes a candid and careful examination. Every one who has watched their progress, or will take the trouble to inquire into it, will not fail to be convinced of the extensive benefits they have already conferred; and it may easily be foreseen, that having been once set in motion, they will move rapidly forward in their career of usefulness, by their good results commending themselves to public favor.

CHAPTER IV.

DISTINCTION BETWEEN AMERICAN AND ENGLISH ASSOCIATIONS.

In England, Building Associations are conducted on a plan somewhat different from that adopted in this country and explained in a preceding chapter. It has been objected to the method of *selling* the funds at a premium, that members in pressing need of money are brought into competition, and for the sake of meeting a present emergency will submit to extravagant deductions, regardless of the result; and to obviate this difficulty, societies in England loan out the funds at a fixed rate of interest, varying according to the term agreed upon for the duration of the society; a priority of advances being determined by rotation of membership, or of application, or by ballot.

But it is very questionable whether this plan is to be preferred to the one already described. It is true that the higher the premium paid for an advance, the greater must be the amount bid for to obtain any given sum, and the monthly payments for interest and shares, will, of course, be proportionably increased; but when it is considered (as has been fully shown) that whatever rate of premium may be paid, it is scarcely possible that the borrower will exceed or even equal the legal rate of interest in an ordinary loan, there can be no just cause for complaint. As to his ability to meet the monthly payments accruing from a high rate of premium, that is

altogether his own look-out; if he become responsible for an amount that he cannot regularly meet, it is not the fault of the principle upon which the Association operates, but the abuse of that principle. In this, as in all other matters, a man must exercise proper judgment and foresight; he must calculate the utmost amount he is able to pay monthly, and not suffer his dues to the Association to exceed that sum. He should not, therefore, commit himself to the purchase of property before he has borrowed from the Association; for, in that case, he might be tempted to give a rate of premium demanding a larger monthly payment than he could regularly meet,—let him get the refusal of property that he desires to purchase, and then if he succeed in obtaining an advance, there will be ample time between the monthly sale of the funds and the meeting of the Board of Directors who determine on securities, (an interval of several days generally elapsing,) to negotiate the purchase.

Beside, the plan of loaning the money simply at fixed rates of interest, or at a certain bonus, and determining a priority of advances by rotation or ballot, is attended with many objections. It protracts the term of the Association's existence beyond the time of the mode above mentioned; and by thus prolonging the liabilities of members, is likely to produce dissatisfaction and discouragement. It may be said, that, in associations conducted on the plan of selling the funds, the premium may so far decline as to produce a like result; but this is hardly probable. There is always a demand for money, particularly in populous and growing cities, and among that class

of persons that patronise these institutions; and until money become a drug, and the demand for it cease, the competition and premium are likely to keep up. At least, such has been the experience of associations in this country; several upon this plan have wound up with entire success, and in no instance, as far as we have been able to learn, has any failure occurred. It may do for our plodding trans-Atlantic brethren to determine the existence of a society for ten, twelve, or even fifteen years; but this would not suit the progressive spirit of our people; they would prefer that the Association accomplish its work in less time, even if for the time it cost them more;—although in the end, the borrower by this plan, even at a high rate of premium, pays much less than by the other.

Nor can it be shown that the English mode will ensure greater regularity and success,—that by fixing the rate at which money is loaned, and thereby determining the duration of the society, it is more likely to wind up in a given time, than where it depends upon the fluctuation and uncertainty of premium sales. A moment's reflection will show that there can be no just claim of superiority in this respect; for the same cause that would produce a decline of premium in the one case, would produce a lack of borrowers at a high rate of interest in the other. Then, again, where no deduction of premium is made, the utmost that could be safely loaned on property would be four-fifths of its value; while, by the American plan, the full amount is advanced,—a very important difference. Indeed, after mature consideration, we doubt very much whether the plan adopted in this country could be

advantageously changed. It is true, that the difficulty of back-payments in entering an association some time after its commencement is obviating by the permanent feature now introduced into the English societies, or by allowing persons to enter the association at any time, and allotting them an advance or interest proportioned to the period of their connection with it; but the remedy for this evil with us would be in the formation of new societies, which, in most cases, would be amply provided for by the increase of population.

But as some may differ with us in opinion, and prefer the English plan to the one here recommended, we proceed to lay it in detail before our readers.

It will be necessary for us preliminarily to observe, that Building Societies in England are not such in the strict sense of the term, or, rather, are not exclusively such, but more properly *Investing and Borrowing Societies;* embracing two different classes of members,—those who enter them simply for the purpose of saving a certain sum of money at interest, by the payment of monthly or quarterly contributions; and those who wish to borrow money to invest in real estate. They are based upon two kinds of constitution: namely—*the temporary principle*, by which the society is calculated to exist only for a given period, beyond which, however, if the plan and rules be not properly adjusted, its duration may be considerably extended; and *the permanent principle*, by which the society itself may continue to exist for an indefinite time, but the payments and memberships are limited to a stated term of years. By the latter method the capital of the society is con-

tinually flowing in and out, increasing or decreasing according to the varying number of shareholders from time to time fulfilling their several cycles of payments.

The societies first established were upon the temporary principle; the number of shares, as well as the duration of the society, being usually restricted. That is to say, the members, having entered the society, would commence their monthly contributions of *ten or fourteen shillings* on a particular day, and continue to pay them until the realization of the *one hundred or one hundred and twenty pound shares* for each member, by the advance of the capital of the society to such members as required it, and the payment of interest as well as principal by them, so as to insure such realization within a given period of *ten* or *fourteen* years, in the manner more particularly explained hereafter. It was, however, ascertained that this did not suit all parties, and that the benefit was chiefly confined to those who were prepared to take shares, and begin their periodical payments at the commencement of the society; those who might become members after the expiration of a year or two would, of course, be obliged to purchase shares by paying up the past subscriptions, either to the society, or to one of its original members. This may be more clearly understood by the following illustration:

We will assume the ultimate value of the shares at £100 each, and the monthly payments of a member for each share to be ten shillings. At the end of twelve months, the sum of *six pounds* would have been paid into the society by each shareholder; and consequently each share would then be

worth at least *six pounds* with the addition of compound interest on the monthly payments. Therefore, if a person wished to enter the society at the end of the first year, either as an invester or borrower, he would have to pay rather more than *six pounds per share* for the privilege, and so on in proportion at the end of the second, third, or fourth year. This would be a serious obstacle in the way of persons of very narrow means; they might be very well able to commence by paying ten shillings a month, but not a sum of six pounds or more, according to the number of years the society had been in existence. The regulation of some temporary societies do, indeed, do away with this usual requirement, demanding subscriptions only from the date of the entry of the member; but the inconvenience to persons joining late and who are desirous of borrowing, is but little abated, inasmuch as their advances must be necessarily diminished,—being equivalent only to the value of their future payments, thus reducing the sum lent to a very trifling amount, inadequate in most cases to the purposes desired.

This difficulty occasioned the introduction of the *permanent* feature, by which an individual is enabled to enter this society at any time, without being subject to back payments, and precisely on the same footing with original members.

Another advantage claimed by the advocates of permanent societies is, that the borrower has the privilege of choosing the period over which he will spread his repayments or subscriptions,—either seven, ten, twelve, or fourteen years; and that he can, therefore, make his arrangements with much

greater precision, according to his anticipated income, and various other circumstances of which he alone can form a correct judgment.

In both of the above-mentioned societies the members or shareholders pay a certain sum per month; according to the anticipated duration of the society, if it be established on the terminating principle; or according to the period fixed for the continuance of the subscriptions, if it be established on the *permanent principle.*

The monthly payments in either case should amount to such a sum as, at the rate of compound interest on which the society is established, would realize the value of the share, within the period fixed for the duration of the society.

The rate of compound interest on which the society should be based, must depend on the rate at which investing members will be induced to invest their money. As a general rule, it may be supposd that a sufficient number of persons will be ready to invest their money, at the rate of five pounds per cent. compound interest, although it is not always the case.

At that rate, the sum of *ten shillings* paid monthly, would, with compound interest at *five per cent.*, amount to *one hundred and twenty pounds* in about *fourteen years.** So that if the society be formed with the intention to pay the investing members five per cent. compound interest, the payments for shares of one hundred and twenty pounds must be ten shillings a month for fourteen years.

* The exact time is 13 years, 10 months, and 21 days.

Then as regards the *borrower*, he should be required to pay for the money he receives, such a monthly subscription as would, in the same number of years, amount to the sum the *invester* is to receive.

Thus, if a borrower is to receive *sixty pounds* at the commencement of the society, instead of *one hundred and twenty pounds* at the conclusion, or an equivalent sum at any period during its progress, and pays ten shillings monthly for fourteen years, he will pay at the rate of five per cent. compound interest on the sixty pounds, and will, in fact, at the termination of the society, have paid precisely the same amount as the *invester*, who then receives his *one hundred and twenty pounds;* or, in other words, each will have paid *eighty-four pounds.*

If the money paid into the society be constantly made productive, such an association would invariably terminate within the time mentioned; but that cannot always be the case, and consequently these societies terminate in a longer or shorter period, according to circumstances. On account of this uncertainty, it has been considered fair in some societies to require the borrower to pay a larger sum than the invester, in order that the latter may receive the interest he originally calculated on when he entered the society. Then again, it has been found that in many places, where a large per centage may be obtained for money, parties are not willing to place it in these societies, unless they obtain a higher compound interest than five per cent. in return; and the borrower is, therefore, often made to pay a higher rate of interest, that the invester may be thus induced to enter the society.

To attain this object, it is provided in some of the associations, that the borrower shall pay an additional sum, called *redemption money*, beyond what the invester pays. For instance, if the invester pays *ten shillings* a month, the borrower is required to pay *fourteen shillings* a month; so that the society may, by the additional payment of *four shillings*, work out in about *ten years*, instead of *fourteen;* and the invester, by this means, will receive a higher rate of compound interest, because his subscriptions continue for a shorter period. In this way a borrower from an English society would pay more, from month to month, for the same amount of money, than one borrowing from an American association; and would have to continue his payments for a much longer period.

The foregoing explanations apply more particularly to terminating societies, but they also apply to permanent societies. The same principles must, of course, control each of them; and the mode of subscription, advances, and realization of the shares, in the latter society, must depend on exactly the same general rules, although in a somewhat modified form.

In permanent societies, the amount of subscription to be paid both by investers and borrowers, and the length of time for which the payments are to be continued, are fixed absolutely.

In these societies the mode of advances is regulated, respectively, in this way: In a *terminating* society, where the ultimate value of a share is, say, *one hundred and twenty pounds*,

and calculated to wind up in *fourteen years*, (as in the case above mentioned,) the members pay less in actual money than the share subscribed for amounts to in the given time, that is, they pay but *eighty-four pounds*. The members, therefore, receiving advances in the earlier years, would only be entitled to a portion of the one hundred and twenty pounds on each share subscribed for, such portion varying according to the period when the share is *anticipated*, which, at a given rate of interest, would be the present value of the deferred share. Thus, at the commencement of such a society, the sum advanced to a member would be at the rate of sixty pounds on each share of one hundred and twenty pounds, this being the present equivalent for the deferred amount. The effect of this arrangement is to give, as the years roll on, an increase of advance to the members receiving it, proportionate to the amount of the past subscriptions paid and accumulated at compound interest, and to the value of the future payments to the end of the term. So that the member not receiving an advance would, at the end of the fourteen years, receive one hundred and twenty pounds, instead of sixty pounds, seventy pounds, or ninety pounds, at a prior period. The payments of all members, of course, continue until every invester or non-borrower shall have received the full amount of his share.

In a *permanent* society, where the members receive the *full* value of their shares in advance, their repayments must, at a certain rate of interest, cover so much of the sum as at the time of borrowing is the property of the society, and in

the given loan period, reimbursed the principal and interest so required. Thus, if the full value of the shares be one hundred and twenty pounds each, and this entire amount be advanced to a borrower at the commencement of the society, instead of only sixty pounds, as in the former case, he would be required to pay monthly something over *twenty-one shillings*, making his total repayments, in the fourteen years, about one hundred and eighty pounds. This is supposing the investor to receive but five per cent. compound interest; of course, where a higher rate of interest is allowed, or a shorter period allotted for the duration of the society, the payments are proportionably increased.

In the formation of societies of this kind, it must be determined at what rate of interest, both as regards investers and borrowers, a society is most likely to prosper. On the one hand, it must not be fixed at too low a rate of interest, for fear there should not be a sufficient number of investures; and, on the other hand, it must not be fixed too high, for fear there should not be a sufficient number of borrowers to make use of the money as it accumulates. The last mentioned evil not unfrequently occurs, and to remedy it the *Ballot Rule*, as it is called, is resorted to; this provides, that where there is a balance beyond a certain amount, remaining uncalled for, the directors may require the investing members of the society to *withdraw, by ballot*, the value of as many shares as will be sufficient to exhaust such portion of the money in hand as they shall think proper. The members on whom the ballot falls will receive the value of their shares,

including compound interest at the rate on which the society has been formed.

It will thus be seen that the English plan is a complex one, requiring the most careful calculation, and is liable to not a few difficulties: the American system is simpler, and, while quite as successful, is more likely, we think, to give general satisfaction. It is true that where investing members are admitted, a larger amount of money is in hand at one time, and a greater number of persons can be satisfied with an immediate advance; but as we have just shown, by an excess of investers the funds of the society may become unproductive, and its interests be injuriously affected, notwithstanding the enforcement of the Ballot Rule. Beside, even though by the American plan an individual may be compelled to wait awhile for an advance, yet, he is all the time saving and multiplying money that might otherwise be wasted or remain idle; and he has further the gratification of knowing that he has shortened the term for the extra payment of interest, whenever the loan may be effected.

Then again, where inducements are held out to persons simply to invest their money in these associations, the great object for which they were originally instituted is apt to be lost sight of,—that of encouraging the purchase of real estate. On the other hand, where all, or most, are compelled to be borrowers, as by the American scheme, many would invest their money in this species of property, who would not otherwise become owners of the soil; this we regard a grave consideration.

Should any, however, object to the mode of selling the funds, and prefer a fixed rate of interest, and a disposition of advances by ballot, we respectfully recommend to them the following plan, which, we believe, has been already adopted by one or two associations in this country: Let the payment for shares be one dollar a month, and each share entitle the holder to an advance of one hundred dollars, at six per cent. interest per annum, paid monthly. For instance, if an individual desires to obtain a loan of one thousand dollars, he must own ten shares, for which he will pay ten dollars monthly; after he has obtained the loan he will pay five dollars additional as interest, making the total payment per month fifteen dollars, which he continues until the association terminates (which it would probably do in from six to seven years), and is then released from all further obligation. The difference between this kind of association and that which we have designated as the American plan is, that the former allots but one hundred dollars as the value of a share, the latter two hundred dollars; the former simply loans out money at interest, the latter first deducts the premium bid for the loan. But it is to be remembered that this premium is not likely to exceed or even equal the difference in the value of the shares; so that a borrower by the former plan pays about as much for the use of money as one by the latter.

CHAPTER V.

THE PRINCIPLE OF LIFE INSURANCE ADAPTED TO BUILDING ASSOCIATIONS.

We have before shown that the object of Building Associations is to convert rent into capital, to make every man his own landlord, instead of perpetuating the system of ordinary tenancy, which is attended with so many evils. The inducements which such institutions hold out to the mechanic, clerk and tradesman, indeed, to every member of society, are equal to, if not greater than, those of any other institutions whatever. The great principle upon which they are conducted is at once simple and effective; the aid of mutual association is combined with the active use of money; so that the small periodical subscriptions of the members are immediately made convertible to their individual benefit, and under regulations peculiarly suited to their pecuniary means. The economy of the plan, too, is as complete as the associated perseverance of individuals can make it; and so long as the personal exertions, continuing health, and monetary resources of the members will allow, no serious impediment can arise in well constituted societies to prevent the consummation of the intended objects. The tenure, however, of human life is so precarious; the enjoyment of uninterrupted health and the means of profitable employment to the most fortunate of us, so uncertain, that it would be presumptuous to rely alone

upon these unstable helps. Hence, we are constrained to impress upon the attention of our readers, upon the advocates and supporters of the excellent principle of Building Associations, the necessity and advantage of completing the scheme of social and prudential economy, by superadding the security of Life Insurance, which alone can perfect their good work.

It has been argued that every man, who can by any means afford to do so, should insure his life as a future provision for his family when deprived, by death, of his assistance. This argument has still greater force with respect to Building and Loan Associations; because, an individual borrowing from one of these societies secures a home for his family in the event of his death, and, if he lives, enjoys its occupancy and possession with them. He could personally derive no advantage whatever from a mere insurance of his life, and his family would be benefitted only by the contingency of his premature death; but by this plan both may be greatly advantaged during his lifetime.

Should a borrower, however, happen to die before the termination of the society, his family would be bound to continue the monthly payments, or suffer the sacrifice of the property; in the one case a burdensome tax would be imposed upon them, in the other a heavy loss would be sustained. In England, this difficulty is completely obviated by the following very simple arrangement, which we should be very happy to see introduced into this country:

When a member of one of these associations receives the value of his shares in advance, on the security of his house or

land, he applies to any prominent Life Insurance Company, and they grant him a policy by which, for a very trifling yearly or half-yearly premium, they engage to pay the whole of his monthly dues, from the time of his death, should he die before his payments cease, until the association winds up, and his property is fully redeemed; so that his family will have it freed from all future charges, and he will have the satisfaction of leaving them unencumbered by the burden. The cost of obtaining this invaluable security is so small as to make it but a very slight addition to the monthly payments.

It would be greatly to the interest of Life Insurance Companies in this country to adopt the same accommodating regulations with reference to the numerous Building Associations that are growing up among us. The risk is comparatively a very light one; an insurance need, in no case, extend over eight or ten years, for an association is not likely to continue even as long, and of course the hazard is much less than where an unlimited insurance is given. Beside, in the event of the death of the stockholder, the insurance company is responsible only for his monthly instalments, and not for any large sum at one time; so that the encroachment upon its active capital would be scarcely felt.

In addition, such an arrangement would greatly extend the operations of insurance companies. For, if the present ownership of a house be highly valuable to a man of family, there will be but little difficulty in convincing him of the necessity of securing it to his children in the event of his un-

timely death; and, therefore, in proportion to the purchase of property by the trading and industrious classes, so will the business of Life Insurance be augmented, a fact which ought to be borne in mind by those who have the conduct of such institutions.

We have said thus much on this particular subject, because we esteem it one of great importance, and attention has not before, to our knowledge, been directed to it in this country. It will be admitted, that in view of the great uncertainty of human life, and our positive liability to be snatched away at any moment, without respect to our circumstances, age or state of health, it is a high moral duty for those who have others dependent upon them, to provide against the contingency of premature death; but no man, joining a Building Association and purchasing a house through its means by way of mortgage, to be redeemed by periodical payments spread over a series of years, can secure the safety of his position, unless he insure his life to an amount sufficient to cover his liability, should death happen —as it may to the most robust and healthful—before his payments are fully discharged. We therefore say, that it would greatly contribute to the success of Building Associations collectively, and to the individual prosperity of their members, if their conductors would form a business connection with some respectable Life office, and thus secure advantages to be obtained only by the mutual co-operatin of these excellent institutions.

The cost of insurance, should, of course, be made as low as possible; and as the liability lessens from year to year, the premium should be proportionably graduated and reduced.

We here append a Form of Constitution for an Association on the American plan; also, a Plan of Book-Keeping, adapted to these Societies; a set of Tables, showing the operation of the Association from month to month, and the time required to wind up at certain average rates of premium, varying from twenty to fifty per cent.; together with various Blanks, &c., &c., all of which will be found very useful in the formation of new societies.

A FORM OF CONSTITUTION

FOR A

BUILDING AND LOAN ASSOCIATION.

ARTICLE I.

Title and Object.

This Association shall be entitled the ———— Building and Loan Association, and shall have for its object the accumulation of a fund, by the monthly subscriptions or savings of the members thereof, to assist them in procuring for themselves such real estate as they may deem desirable.

ARTICLE II.

Members.

SECTION 1. The members of this Association shall be male and single female residents of ————, of twenty-one years of age and upwards. Married females and minors may hold property in the Association by trustees, and not otherwise.

SECTION 2. Each stockholder, for each share of stock by him or her held, shall pay the sum of one dollar, in par funds, on subscribing, and the same amount on the first day of each and every month thereafter, (unless such day occur on Sunday, in which event the payment to be made the day previous,) to the Treasurer, or such other person or persons as shall, from time to time, by the laws and regulations of the Association, be authorized to receive the same, until the value of the whole stock shall be sufficient to divide to each share of stock the sum of two hundred dollars.

SECTION 3. When each stockholder, for each and every share of stock by him or her held, shall have received the sum of two hundred dollars, then this Association shall determine and close; provided, always, that any stockholder having obtained an advance, in the manner prescribed under Article the eighth, shall be debited in his account with the premium paid thereon.

SECTION 4. Should any stockholder fail to meet his or her dues, as often as the same shall be payable as aforesaid, he or she shall forfeit and pay the additional sum of ten cents for

every such failure, and for each dollar thus unpaid; the same to be charged with the monthly dues.

SECTION 5. Should any stockholder neglect or refuse to pay his or her monthly dues or fines, for more than three months, he or she shall receive from the Treasurer the amount of dues actually paid, with no allowance for interest thereon,—first deducting all fines and arrearages, with his or her proportionate part of any losses and expenses sustained—and thence cease to be a member of this Association.

SECTION 6. Should any stockholder, not having received an advance, wish to withdraw from the Association, he or she shall be entitled to receive from the Treasurer the amount of dues actually paid, first making the deductions provided for in the fifth section of this Article; provided, however, that no stockholder, wishing to withdraw, give less than one month's notice to the Directors, of such intention.

Transfer of stock may at any time be made in the presence of the Treasurer, attested by his signature; but no such transfer shall be valid, until all arrearages or fines that may be due upon said stock shall have been fully discharged; such transfer must be made at least thirty days before an election to entitle the holder thereof to vote.

SECTION 7. In the event of the death of a member, who has received no portion of his or her stock in advance, the heirs or legal representatives of the deceased may continue his or her relation to the Association; or, should they prefer it, they shall be entitled to receive from the Treasurer the amount he or she may have paid upon his or her shares; first deduct-

ing any charges for fines, arrearages, or proportion of losses and expenses sustained.

SECTION 8. No stockholder shall hold in his or her own right, more than twenty shares.*

SECTION 9. Each stockholder, for each and every share of stock by him or her held, either in their own right or as trustee, shall be entitled, when personally present at an annual election, or special meeting, to one vote, for the election of officers, and other purposes.

SECTION 10. Each member, upon subscribing for a share or shares, and making the first monthly payment on the same, shall be entitled to a certificate of such share or shares, specifying the number and amount thereof respectively, signed by the Treasurer, and countersigned by the President; which certificate shall be evidence of his title thereto.

SECTION 11. Each stockholder shall sign this Constitution; thereby obligating himself or herself to pay punctually their monthly dues, interest and fines, and to fulfil all other requisitions herein contained.

ARTICLE III.

Officers.

The officers of this Association shall be a President, Treasurer, Secretary, and four Directors, exclusive of the President, (who shall be *ex-officio* a member of the Board,)—all of whom

* The object of this provision is to make the benefits of the Association as diffusive and general as possible, and to prevent anything like speculation or monopoly.

must be stockholders. They shall be elected at the annual meeting of the stockholders, on the evening of the first day of ———, in each and every year; provided, such day do not occur on Sunday, in which case the election shall be held on the evening of the previous day. A majority of all the votes represented or present shall determine an election.

Should any officer die, or resign in the interim between one annual election and another, the Board of Directors shall have power to supply the vacancy.

ARTICLE IV.

President.

It shall be the duty of the President to preside at all meetings of the Association, and of the Board of Directors; to preserve order; to sign all drafts on the Treasurer, when ordered by the Board of Directors; and to perform all other duties usually pertaining to his office.

He shall have power, with the concurrence of two of the Board of Directors, to call a special meeting of the Association whenever he may deem it advisable.

ARTICLE V.

Treasurer.

It shall be the duty of the Treasurer to receive all monies paid into the Association; and to pay all orders drawn upon him by authority of the Board of Directors, when signed by the President and countersigned by the Secretary. He shall

receive and hold in trust, for the Association, all bonds, mortgages, policies of insurance, and other papers in connection with property upon which money is loaned, first giving his receipt therefor to the Secretary. It shall be his duty, and he is hereby empowered, to give releases and acquittance for all sums of money paid to the Association upon any bond, note, mortgage, or other security, and, if necessary, acknowledge satisfaction of the same on record. He shall keep accurate accounts with the stockholders, and of all monies paid into the Association. His books shall be subject to the inspection of the Board of Directors; and he shall be prepared, at all times, to inform the members of the state of their accounts, and at the annual meeting furnish a detailed statement of the finances of the Association. He shall give satisfactory bonds for the faithful performance of his duties; shall receive such compensation for his services as the Board of Directors may determine; and, at the expiration of his term of office, deliver over to his successor all monies, books, and papers in his possession belonging to the Association.

ARTICLE VI.

Secretary.

It shall be the duty of the Secretary to keep correct minutes of the proceedings of the Association, and of the Board of Directors, and record the same in a book, or in books, provided for the purpose. He shall attest all orders drawn on the Treasurer for the payment of money, under the authority

of the Board of Directors; and notify the Directors and stockholders of their monthly and annual meetings, by advertisement in one or more newspapers, at the expense of the Association. He shall have charge of all books and papers belonging to the Association, except such as are entrusted to the Treasurer, and deliver up the same, in good condition, to his successor in office.

ARTICLE VII.

Directors.

SECTION 1. It shall be the duty of one or more of the Board of Directors to meet statedly on the first evening of each and every month, (at such place as the Board may appoint), with the stockholders, to dispose of the funds according to the Constitution, and to conduct the business of the Association generally.

SECTION 2. They shall hold, on the fourth day after the monthly meeting, a special meeting, and other meetings as often as may be necessary, for the consideration of securities offered; and shall be empowered to appoint a Solicitor for the Association, whose business it shall be to examine all titles and draw up all papers in connection with said securities. And in no case shall an order be drawn on the Treasurer for an appropriation, until the necessary searches in the courts of record shall have been made, and the Solicitor certifies to the satisfactory character of the security offered.

The charge for investigating titles, and preparing all neces-

sary mortgage deeds and instruments in favor of the society, shall not in any case exceed the sum of ——,unless under special circumstances, when the fee shall be determined by the Directors. The Solicitor's charges shall be paid by the members, on whose account they are incurred, or deducted out of the money they may be entitled to receive for any share or shares in advance, in the mode hereafter prescribed.

SECTION 3. A majority of the Board of Directors shall constitute a quorum. They shall be empowered to fill all vacancies that may occur in their number, and to adopt any regulations for their government not disagreeing with this Constitution.

SECTION 4. They shall from time to time inspect the books and accounts kept by the Treasurer, and shall order a full statement of the affairs of the Association to be annually prepared by that officer at least seven days before the annual general meeting of the members, at which meeting such statement shall be submitted, after having been first audited and signed by three members of the Association, selected by the Board.

SECTION 5. Any order on the Treasurer must be sanctioned by a majority of the Board, and signed by the President and Secretary.

ARTICLE VIII.

Advances.

SECTION 1. Each stockholder, for each and every share of stock he or she may hold in the Association, shall be entitled

to purchase an advance of stock of two hundred dollars, and no more; provided, however, that no stockholder shall receive an advance to the amount of more than one thousand dollars at any one monthly meeting, if any other stockholder present, not having received an advance, shall bid for it at an equal premium.

SECTION 2. The amount paid into the treasury each month, shall, at the monthly meeting of the members, be sold to the highest bidder or bidders among them; provided the same be not sold under par, and be secured by real estate fully equal in value to the net sum advanced. Should it so occur that the funds of the Association remain unproductive and uncalled for for the space of two months, the Directors are authorized to loan what may be on hand to others than stockholders, if it be safely invested, and repaid within one year.

SECTION 3. Any stockholder taking an advance, shall allow to be deducted the premium offered by him or her for the same; and shall secure the Association for such advance, by bond and mortgage, and policy of insurance, renewed annually at his or her expense. He or she shall further pay all costs that may accrue for examining titles, drawing, acknowledging, recording, and releasing all papers in connection with said security.

SECTION 4. For each advance of two hundred dollars made to a stockholder, one share of stock shall be assigned as collateral security. In case of failure to offer sufficient security for an advance within one month from the date of pur-

chase, the month's interest shall be charged to said purchaser, together with all costs and charges for the examination of titles, and his or her right to such purchase cease.

SECTION 5. Any stockholder taking an advance, shall pay to the Treasurer, in addition to his or her monthly dues for shares, one dollar per month for each share on which such advance is made, or at the rate of six per cent. per annum on the whole amount, including the premium.

SECTION 6. No stockholder shall be entitled to an advance who is in arrears to the Association, and no property taken as security for an advance out of the limits of ———.

SECTION 7. Should any stockholder, having received any portion of his or her stock in advance, neglect or refuse to pay any or all of his dues to the Association, for three successive months, then the Directors may compel payment of principal and interest by instituting proceedings on the bond and mortgage, according to law.

When any sale shall take place of any property mortgaged to the Association, the Directors shall have power to retain and apply so much of the purchased money as would be required to redeem the property, pursuant to the provisions contained in the ninth Article of this Constitution, together with all other payments, monies, and expenses due to the Association, and shall pay the surplus thereof to the mortgagor.

SECTION 8. In the event of the death of a stockholder who has received any portion of his or her stock in advance, the heirs or legal representatives of the deceased shall be en-

titled to continue his or her relation to the Association, the proper change of name, &c., being first made in the security papers; or, should they not be able or willing to do this, then the Directors shall act as in the case above specified, with this difference—the heirs or legal representatives of the deceased being entitled to receive the actual amount he or she may have paid on his or her shares, first making any deduction for fines, arrearages, or proportion of losses and expenses sustained, with which he or she may be chargeable.

ARTICLE IX.

Sale, Substitution, or Release of Mortgages.

Section 1. Should any stockholder, who has executed a mortgage to the Association, be desirous of selling the mortgaged property, subject to the mortgage, he or she shall be at liberty so to do, with the consent of the Directors, upon first duly transferring the shares secured by said mortgage to the intended purchaser; and upon such transfer being completed, and all arrears due to the Association from the mortgagor being paid, and the conveyance to the purchaser executed, such purchaser shall thenceforth become liable to pay all the monthly dues and interest payable in respect of such shares, and the Directors may grant to the original mortgagor, and at his or her cost and charges, a release from all future liability in respect thereof.

SECTION 2. It shall be lawful for any stockholder, having executed a mortgage in favor of the Association, to substitute, at his or her own expense, and subject to the approval of the Directors, any other property as security to the Association in lieu of that originally mortgaged.

SECTION 3. Should any stockholder desire to have his or her property discharged from mortgage before the Association shall have regularly terminated, he or she shall be allowed so to do, by paying into the hands of the Treasurer such a sum of money as shall, at the rate of premium the funds are then selling, produce the same monthly payment of interest as that which said stockholder had been previously paying in his or her advance; provided, such sum shall in no case be less than the net amount actually received by him or her; and provided, further, that no release shall be given until the money paid for such release shall have been sold, and the security offered for the same be approved by the Directors, and the papers connected therewith duly executed; such stockholder paying all costs connected with the redemption of the mortgaged property.*

* This is a most important provision, and should be carefully examined and carried out. It is of course desirable, in institutions of this kind, based upon a principle of mutual accommodation, to extend to individual stockholders every facility for the release of their property that is consistent with the general interests of the Association; neither, if possible, should be made to suffer, and by the above arrangement the interests of both are fully guarded and secured.

If a stockholder who has purchased at a high rate of premium, should desire to release his property when the funds are selling at a less rate, and should be required only to pay the net sum he had received as an advance, it is evident the Association would suffer,—since that sum would not, at the reduced rate of premium, command the

ARTICLE X.

Fines.

In addition to the fines mentioned in the fourth section of the first article, any officer of the Association, for neglecting

same monthly interest that it did under the higher rate; but if, on the other hand, he be required to pay the difference between the premium at which he had purchased, and the premium at which the funds sell at the time his property is released, the whole difficulty will be at once obviated, and precisely the same monthly payment accrue to the Association. Nor has the stockholder any cause for complaint, as with the same number of shares he can purchase from the Association at the reduced rate of premium an increase over his former advance exactly equivalent to the difference paid in releasing his property.

This provision will be more fully understood by the following illustrations:

Suppose an individual owning twenty shares to have bid on four thousand dollars, at forty per cent. premium; this would be sixteen hundred dollars, which deducted from the four thousand dollars, would make twenty-four hundred dollars net. He would be required thereafter to pay six per cent. interest on the four thousand dollars; making the monthly payment for interest, twenty dollars.

Suppose the same individual should desire to release his property when the funds are selling at thirty instead of forty per cent. premium. Should he be required only to return the twenty-four hundred dollars, the net sum he had received, the Association would be evidently the loser; for a stockholder to obtain this amount at thirty per cent. premium, would be required to bid only on three thousand four hundred and twenty-eight dollars, instead of on four thousand dollars, as in the former case when the premium was forty per cent.; the monthly interest on three thousand four hundred and twenty-eight dollars, would be but little over seventeen dollars, so that the Association would thus lose three dollars monthly from its income. But suppose that he were required to pay the difference between the premium at which he purchased and the rate of premium the funds are

to attend any of the annual or special meetings, shall be fined for each and every such neglect the sum of twenty-five cents; nor shall such fine be remitted in any case other than sickness or absolute necessity.

ARTICLE XI.

Constitution.

This Constitution can only be altered or amended at an annual meeting, and by a majority of the votes represented, or present; and at least one month's notice of the proposed alteration must be publicly given.

selling at the time his property is released,—in other words, the difference between forty and thirty per cent; this would be ten per cent. on the four thousand dollars, (the amount of his bond,) making four hundred dollars, which added to the twenty-four hundred dollars would be twenty-eight hundred dollars, the required payment to release his property. Now to obtain this amount net (twenty-eight hundred dollars) at thirty per cent., a stockholder would be required to bid on four thousand dollars, the monthly payment of interest on which would be precisely the same as before, twenty dollars; so that in this way the Association loses nothing. Nor does the individual referred to; for, with the same twenty shares he still holds he can purchase at thirty per cent. twenty-eight hundred dollars, instead of two thousand dollars in the former case at forty per cent.,—making just the difference between the net sum he had received on his property, and the amount required to release it.

It thus puts him and the Association in precisely the same position as before; and also prevents any derangement of the accounts, and anything like speculation with the funds of the society. An individual may desire to release his mortgage on one piece of property, and purchase another, or may desire to effect such release, and simply remain a shareholder in the Association without becoming at once again a borrower;—in either case the opportunity is thus afforded him.

ARTICLE XII.

Number of Shares.

The capital stock of this Association shall be ———— shares.

A PLAN OF BOOK-KEEPING

FOR

BUILDING AND LOAN ASSOCIATIONS.

THE books requisite to be used in these Associations, are an Instalment Book, Cash Book, Journal, Ledger, Sales Book, and Insurance Register. An illustration of these books, and of what is believed to be the most approved method of keeping them, is given in the following forms. The rules of accounts which precede the forms, embrace every transaction that is likely to occur during the progress of the Association towards its dissolution; and prescribe the particular mode of entry in debiting and crediting the several accounts.

With a view to exemplify the process by which the affairs of the Association are brought to a close, the entries commence at a time when it is supposed that the objects for which the organization was formed are so nearly consummated, that only eighty shares remain unpaid: the balances at the head of the Cash, Instalment, Loan, and other accounts, being assumed to exhibit the state of these accounts at the dates annexed.

PERSONAL ACCOUNTS.

The personal accounts are those kept with the stockholders, in which they are *debited* with the monthly *instalments* on the

shares held by them, the *cash* received by them on account of or in full for advances made by the Association, the *premium* given by them for the same, the monthly *interest* on bonds, and such *fines* as they may incur for non-payment of their dues: they are *credited* by *cash* for all sums paid the Association, and by *loans* for the loans received by them.

When a shareholder *transfers* his shares, he is *debited* to the *transferee*, for the total amount of instalments paid on the said shares; while the transferee is debited to *him* for the total amount of instalments charged his account.

In the event of *forfeiture*, the defaulting shareholder is *debited* to *Expense Account*, or *Profit and Loss*, for his proportionate share of the expenses or losses of the Association; and to *cash* for the balance refunded him: he is *credited* by the *purchaser* of the forfeited shares for the instalments due on same at date of sale. The *purchaser* is credited by *cash* for the par value of the shares, provided they are sold to him at par or for a premium; if he buys *below* par, he is then credited by *cash* for the price actually paid, and by *Profit and Loss* for the difference between the purchase money and the par value.

When a shareholder returns to the Association an advance received by him, he is *credited* by cash for the amount returned, and by *Premium Account* for the difference between the cash thus returned and the amount of his *bond*. He is then *debited* to *Loans* for the whole amount of the advance, including premium.

LOAN ACCOUNT.

This account is *debited* for all advances made to shareholders, and is *credited* for such advances as may be returned. In closing books it is *credited* by stock.

PREMIUM ACCOUNT.

This account is *credited* for the premium given for loans, and is *debited* for the same when a loan is returned. It is balanced by a *debit* to Profit and Loss.

INTEREST ACCOUNT.

Credited for the monthly interest on loans, and *debited* to Profit and Loss in closing account.

FINES.

Credited for fines incurred, and balanced by *debit* to Profit and Loss.

PREMIUM ON SHARES SOLD.

Credited for premium given for forfeited shares sold, and balanced by debiting to Profit and Loss.

EXPENSE ACCOUNT.

Debited for all sums paid for the expenses of the Association, as printing, room hire, Treasurer's salary, &c., and closed by *Profit and Loss.*

CASH.

Debited with all moneys received, and *credited* for all payments. If there should remain a balance of cash on hand at the dissolution of the Association, it is disposed of by a pro-rata division among the shareholders.

PROFIT AND LOSS.

Debited for all losses sustained, and to *Expense Account* for the debit balance of that account: *credited* for all gains, and by *premium*, *interest*, *fines*, and *premium on shares sold*, for the credit balances of these accounts. It is balanced by *debiting* to Stock Account.

INSTALMENT ACCOUNT.

Credited for the monthly instalments on the shares: and *debited* to *Stock* in closing books.

STOCK.

As the Instalment Account represents the capital upon which the operations of the Association are based,—and the results of these operations are shewn by the *Loan* and *Profit and Loss* Accounts,—the Stock Account is only employed for the purpose of winding up the books. It is *credited* by *Profit and Loss* and by *Instalment* Account, and is *debited* to *Loan*—this last account bearing the same relation to Stock that *Balance* does in mercantile systems.

INSTALMENT BOOK.

Ledger Folio.	SHAREHOLDERS.	JANUARY, 1852.								FEBRUARY, 1852.								MARCH, 1852.								
		Shares.	Bonds.	Instalments.	Interest.	Fines.	Paid.			Shares.	Bonds.	Instalments.	Interest.	Fines.	Paid.			Shares.	Bonds.	Instalments.	Interest.	Fines.	Paid.		
1	Anderson, Henry	20		20			20			20	4000 00	20	20 00		40			20		20			20		
1	Brown, John	10		10			10			10		10			10			20	4000 00	20	20 00		40		
1	Fairmont, A. B.	5		5		50			Unpaid.	5		5		1 00			Unp'd.	5		5		1 50			Forft'd
2	Loomis, Ephraim	15		15			15			15		15			15			15		15			15		
2	Primrose, Samuel	20		20			20			20	4000 00	20	20 00		40			20	4000 00	20	20 00		40		
2	Seaman, John R.	10		10		1 00	11 00		Jn'ry 28	10		10			10			Transferred to John Brown.							
		80		80		1 50	76 00			80	8000 00	80	40 00	1 00	115 00			80	8000 00	80	40 00	1 50	115 00		
				*Fol. 2		*Fol. 3	†C. B. 1					*Fol. 2	*Fol. 3	*Fol. 3	†C. B. 1					*Fol. 2	*Fol. 3	*Fol. 3	†C. B. 1		

* Posted immediately from the Instalment Book to the several accounts in the Ledger.

† Transferred at the end of the month to the Cash Book.

DR. *Cash.* CHARLESTON, S. C. *Cash.* CR.

1852.		Ledger Folio.						1852.		Ledger Folio.					
1852.	1		Balance, - - - - -			12505	00	Jan'y	4	1	Henry Anderson,—Paid him in full for advance taken on first instalment, - - - - -	2800	00		
Jan'y	31	I. B.	Sundry shareholders as per Instalment Book, which see, - - -	76	00	76	00	"	5	2	Samuel Primrose—Paid him ditto, - - -	2680	00		
"								"	10	4	Expense Account—Paid Selborne & Co., for printing forms, &c.,	30	00	5510	00
									31		Balance, - - - - -			7071	00
						$12581	00							$12581	00
Feb'y	1		Balance, - - - - -			7071	00	Feb'y	6	1	John Brown—in full for advance taken by him on first instalment,	3000	00		
"		1	Henry Anderson, in full for his bond, (under Sec. , Art. 9, Const.	4000	00			"		1	H'ry Anderson—returned him premium given by John Brown for $4000, deposited by H. A. on first instalment (under provisions Art. 9, Constitution,)	1000	00	4000	00
"	28	I. B.	Sundry shareholders, as per Instalment Book,	115	00	4115	00								
								'	28		Balance, - - - - -			7186	00
						$11186	00							$11186	00

[Continued from the preceding page.]

M'rch	1		Balance, - - - - -			7186	00	M'rch	2	1	A. B. Fairmont—refunded him balance due him on forfeited shares,		1	00	
"	"	2	Eph. Loomis—received from him in full for par value of A. B. Fairmont's forfeited shrs., bought by him, - -	20	00			"	"	1	Henry Anderson—in full for purchase on 1st,	3600	00		
								"	"	2	Eph. Loomis, for ditto,	3600	00		
"	"	3	Premium on shares sold, received from E. Loomis for shares bought by him as above, -	5	00			"	3	4	Expense Account—paid the following: Treasurer's salary to date, - - 100 00				
"	"	I. B.	Sundry shareholders, as per Instalment Book,	115	00	140	00				Room hire, - 15 00				
											Advertising, - 10 00	125	00	7326	00
						$7326	00							$7326	00

JOURNAL.

[Folio 1.]

CHARLESTON, So. Ca., January 4th, 1852.

3	Sundries to Premium account,				
1	Henry Anderson,				
	premium on $4,000 taken				
	in advance by him, on 1st				
	Inst. at 30 per cent.	$1,200	00		
2	Sam'l Primrose, for same,				
	($4,000) at 33 per cent.	1,320	00	$2,520	00
3	Loan account to Sundries.				
1	Henry Anderson	4,000	00		
2	Sam'l Primrose	4,000	00	8,000	00
	February 2d.				
2	Jno. R. Seaman to J. Brown,				
1	2 Instalments paid by former on 10 shares transferred to latter,	20	00	20	00
1	Jno. Brown to J. R. Seaman,				
2	2 Instalments charged latter on 10 shares transferred as above,	20	00	20	00
1	6th				
3	Hy. Anderson to Loan acct. for advance taken by him, on 1st Jany., returned by him on 1st Inst., as per Cash Book,	4,000	00	4,000	00

[Folio 2.]

CHARLESTON, So. Ca., February 6th, 1852.

1	Jno. Brown to Premium acct.				
3	Prem. on $4,000, taken in advance by him on 1st Inst. at 25 per cent.	$1,000	00	$1,000	00
3	Premium acct. to H. Anderson				
1	Prem. on $4,000, deposited by him 1st Inst. in paymt. of his bond sold J. Brown, at 25 per cent.	1,000	00	1,000	00
3	Loan account to John Brown,	4,000	00	4,000	
1					
	March 1st.				
2	E. Loomis to A. B. Fairmont,				
1	4 Instalments on 5 shs. forfeited by latter and purchased by former,	20	00	20	00
1	A. B. Fairmont to Expense act.				
2	His pro rata share of Expen es to date,	1	00	1	00
	2d.				
3	Sundries to Premium account				
1	Hy. Anderson for prem. on $4,000 taken by him on 1st at10 per cent,	400	00		
2	Ephm. Loomis, for same,	400	00	800	00
3	Loan account to Sundries.				
1	Hy. Anderson,	4,000	00		
2	Eph. Loomis,	4,000	00	8,000	00

[Folio 3.]

CHARLESTON, So. Ca., March 3d, 1852.

3	Sundries to Profit & Loss.				
3	Interest account,	$40,000	00		
3	Fines "	4	00		
3	Premium "	164,945	00		
3	Do. on Shares sold,	5	00	204,954	00
4	Profit & Loss to Expense acct.				
4	Balance of latter acct.	154	00	154	00
4	Sundries to Stock.				
2	Instalment account,	115,200	00		
4	Profit & Loss,	204,800	00	320,000	00
4	Stock to Loan account.				
3	Balance of former acct.	320,000	00	320,000	00

LEDGER.

[Folio 1.]

HENRY ANDERSON.

Dr.								Cr.							
1852.								1852.							
Jan.	1	To Instalment account,	*I. B.	1	20	00		Jan.	1	By Cash,	I. B.	1	20	00
"	4	Premium account,	§J.	1	12,00	00		"	4	Loan account,	J.	1	4,000	00
"	4	Cash,	†C. B.	1	2,800	00		Feb.	1	Cash,	J.	1	40	00
Feb.	1	Sundries,	I. B.	1	40	00		"	1	Cash,	C. B.	1	4,000	00
"	6	Cash,	C. B.	1	1,000	00		"	6	Premium account,	J.	2	1,000	00
"	6	Loan account,	J.	1	4,000	00		Mr'h	1	Cash,	I. B.	1	20	00
Mr'h.	1	Instalment account,	I. B.	1	20	00		"	2	Loan account,	J.	2	4,000	00
"	2	Cash,	C. B.	1	3,600	00								
"	2	Premium account,	J.	2	400	00								
					$13,080	00							$13,080	00

JOHN BROWN.

Dr.								Cr.							
1852.								1852.							
Jan.	1	To Instalment,	I. B.	1	10	00		Jan.	1	By Cash,	I. B.	1	10	00
Feb.	1	do.	I. B.	1	10	00		Feb.	1	Cash,	I. B.	1	10	00
"	6	Cash,	C. B.	1	3,000	00		"	2	J. R. Seaman,	J.	1	20	00
"	2	J. R. Seaman,	J.	1	20	00		"	6	Loan account,	J.	2	4,000	00
"	6	Premium account,	J.	2	1,000	00		Mr'h.	1	Cash,	I. B.	1	40	00
Mr'h.	1	Sundries,	I. B.		40	00								
					$4,080	00							$4,080	00

*Instalment Book. §Journal. †Cash Book.

[*Folio* 1 *continued.*]

A. B. FAIRMONT.

Dr.							1852.							Cr.	
1852.															
Jan.	1	To Balance Instalment.				5 00	Jan.	1	By Balance (cash.)				5 00
"	2	Instalment and Fines,	I. B.	1		5 50	Mr'h.	1	E. Loomis,	J.	5	20 00
Feb.	1	Sundries,	I. B.	1		6 00						
Mr'h.	1	Sundries,	I. B.	1		6 50						
"	2	Cash,	C. B.	1		1 00						
"	1	Expense account,	J.	2		2 00						
					$25,00	00						$25,00	00

[*Folio* 2.]

EPHRAIM LOOMIS.

Dr.							1852.							Cr.	
1852.															
Jan.	1	To Instalment,	I. B.	1		15 00	Jan.	1	By Cash	I.B	1		15 00
Feb.	1	"	"	1		15 00	Feb	1	"	"	1		15 00
Mr'h.	1	"	"	1		15 00	Mr'h.	1	"	"	1		15 00
"	2	Cash,	C. B.	1	3,600	00	"	1	"	C. B.	1		20 00
"	1	A. B. Fairmont,	J.	2		20 00	"	2	Loan account,	J.	2	4,000	00
"	2	Premium account,	J.	2		400 00							
					$4,065	00						$4,065	00

[*Folio* 2 *continued*.]

DR. SAMUEL PRIMROSE. CR.

1852.							1852.						
Jan.	1	To Instalment,	I.B.	1	20	00	Jan.	1	By cash,	I. B.	1	20	00
"	4	Premium account,	J.	1	1,320	00	"	4	Loan account,	J.	1	4,000	00
"	5	Cash,	C. B.	1	2,680	00	Feb.	1	Cash,	I. B.	1	40	00
Feb.	1	Sundries,	I. B.	1	40	00	Mch.	1	"	"	1	40	00
Mch.	1	"	"	1	40	00							
					$4,100	00						$4,100	00

DR. JOHN R. SEAMAN. CR.

1852.							1852.						
Jan.	1	To Sundries,	I. B.	1	11	00	Jan.		By Cash,	I. B.	1	11	00
Feb.	1	Instalment,	"	1	10	00	Feb.		"	"	1	10	00
"	2	John Brown,	J.	1	20	00	"	2	John Brown,	J.	1	20	00
					$41	00						$41	00

DR. INSTALMENT ACCOUNT. CR.

1852.						1852.						
Mch.	4	To Stock,	3	115,200	00	Jan.	1	By Balance,		1	114,960	00
						"	1	Sundries,	I. B.	1	80	00
						Feb.	1	"	"	1	80	00
						Mch.	1	"	"	1	80	00
				$115,900							$115,200	00

[*Folio* 3.]

INTEREST ACCOUNT.

Dr.							Cr.						
1852.							1852.						
Mch.	3	To Stock,	J.	3	40,000	00	Jan.	1	By Balance,		1	39,920	00
							Feb.	1	Sundries,	I. B.	1	40	00
							Mch.	1	"	"	1	40	00
					$40,000	00						$40,000	00

FINES.

Dr.							Cr.						
1852.							1852.						
Mch.	3	To Profit and Loss,	J.	3	4	00	Jan.	1	By Sundries,	I. B.	1	1	50
							Feb.	2	"	"	1	1	00
							Mch.	1	"	"	1	1	50
					$4	00						$4	00

LOAN ACCOUNT.

Dr.							Cr.						
1852.							1852.						
Jan.	1	To Balance,	.		304,000	00	Feb.	6	By H. Anderson,	J.	1	4,000	00
"	4	Sundries,	J.	1	8,000	00	Mr'h.	3	Stock,	J.		320,000	00
Feb.	6	Jno. Brown,	J.	2	4,000	00							
Mch.	3	Sundries,	J	2	8,000	00							
					$324,000	00						$324,000	00

[*Folio* 3 *continued.*]

Dr. PREMIUM ACCOUNT. **Cr.**

1852.							1852.						
Feb.	6	To H. Anderson,	J.	2	1,000 00		Jan.	1	By Balance,			161,625 00
Mr'h.	3	Profit and Loss,	J.	3	164,945 00		"	4	Sundries,	J.	1	2,520 00
							Feb.	6	John Brown,	J.	2	1,000 00
							Mr'h.	2	Sundries,	J.	2	800 00
					$165,945 00							$165,945 00

Dr. PREMIUM FOR SHARES SOLD. **Cr.**

1852.						1852.					
Mr'h.	3	To Profit and Loss,	J.	3	5 00	Mr'h.	1	By Cash,	C. B.	1	5 00

[*Folio* 4.]

Dr. EXPENSE ACCOUNT. **Cr.**

1852.						1852.					
Jan.	10	To Cash,	C. B.	1	30 00	M'rh.	1	By A. B. Fairmont,	J.	2	1 00
Mr'h.	3	"	"	1	125 00	"	3	Profit and Loss,	J.	2	154 00
					$155 00						$155 00

[*Folio 4 continued.*]

CASH.

Dr.							Cr.					
1852.						1852.						
Jan.	12	To Balance,			12,505 00	Jan.	31	By Sundries,	C. B.	1	5,510 00
"	31	Sundries,	C. B.	1	76 00	Feb.	28	"	"	1	4,000 00
Feb	28	"	"	1	4,115 00	Mr'h.	3	"	"	1	7,326 00
Mr'h	1	"	"	1	140 00						
					$16,836 00						$16,836 00

PROFIT AND LOSS.

Dr.							Cr.					
1852.						1852.						
Mr'h.	3	To Expense account,	J.	3	154 00	Mr'h.	3	By Sundries,	J.	3	204,954 00
"	3	Stock,	J.	3	204,800 00						
					$204,954 00						$204,954 00

STOCK.

Dr.							Cr.					
1852.						1852.						
Mr'h.	3	To Loan account, (Balance)		3	320,000 00	M'rh.	3	By Sundries,	J.	3	320,000 00

SALES BOOK.

Date of Sale.	To whom sold.	Gross Amount or Amount of Loan.	Rate of Premium.	Amount of Premium.	Nett Cash.	
Nov.	E. A. Belmont,	4,000 00	30	1,200	2,800 00	Transferred to Henry Valiant.
"	Thomas A. Bowman,	3,000 00	31	930	3,070 00	
1852.						
Jan.	Henry Anderson,	4,000 00	30	1,200	2,800 00	

INSURANCE REGISTER.

Date Insured.	Insured by	Amount Insured.	Company.	Officer or Agent.	Expires.	Remarks.
1852.						
Sept. 10	A B C	$2,000	Chs'ton Ins. & Trust Co.	J. H. Honour, Pres't.	1853, Sept. 10	
" 10	D E F G	1,000	S. C. Ins. & Trust Co.	C. Edmonston, Pres't.	1853, July 10	

THE following Tables are intended to show the operation of Building Associations from month to month, and the extreme time required to wind up at certain average rates of premium, varying from twenty to fifty per cent.

It is proper to observe that these calculations are made upon a very liberal basis; a large margin being allowed for expenses and possible losses, and no account taken of fines, forfeitures, and probable payments for release of mortgages,—all of which greatly tend to accelerate the winding up of an Association. It may be safely presumed, that in each instance, an Association at any of the rates of premium here specified, would terminate at least one year less than is indicated by the respective tables; their object being to show not the shortest, but the longest possible time that these societies are likely to exist. Several have already terminated in this country, and in no case, as far as we have been able to learn, have they exceeded six or six and a half years.

It may here be suggested, that the duration of an Association may be shortened several months, or even a whole year, by a general agreement among the shareholders, and a pro rata prepayment by them in advance (according to their respective claims) of such a sum as would accomplish the objects of the organization. Of course this would require a careful

calculation, one based upon the precise state of the affairs of the Association at the time; but it could be readily made by the accountant officer of the Association, or any one familiar with its plan of operation.

In several of the Associations, North, they have recently adopted the plan of allowing six per cent. interest to those of their members who pay a year's instalments in advance, or three per cent. for half the amount. This is a decided advantage to both parties; it will accomplish the objects of the Association in a much shorter time, and affords to shareholders a direct return for their investment, apart from their ultimate interest in the profits of the concern. We would, therefore, earnestly recommend its general adoption. While there are many in these Associations who could not afford to make any payment in advance, there are always some who would be able and willing to do it, provided such an inducement were held out to them.

TABLE I.

AVERAGE RATE OF PREMIUM TWENTY PER CENT.

Explanation.—In these tables, two thousand shares are assumed as the capital stock of an Association. The first column indicates the amount actually paid in each month, which is ascertained by adding to the amount paid for shares the interest accruing from all the foregoing monthly sales; the second column shows the increase of the amount paid in, at the average rate of premium at which it is sold; and the third column, the interest accruing from the increased amount.

1st Year.	Amount paid in.	Increase at 20 per cent.	Interest acc'ng.	2d Year.	Amount paid in.	Increase at 20 per cent.	Interest acc'ng.
1st mo.	2000.00	2500.00	12.50	1st mo.	2155.21	2694.01	13.47
2d "	2012.50	2515.62	12.58	2d "	2168.68	2710.85	13.55
3d "	2025.08	2531.35	12.65	3d "	2182.23	2727.78	13.63
4th "	2037.73	2547.16	12.73	4th "	2195.86	2744.82	13.72
5th "	2050.46	2563.07	12.81	5th "	2209.58	2761.97	13.80
6th "	2063.27	2579.08	12.89	6th "	2223.38	2779.22	13.89
7th "	2076.16	2595.20	12.97	7th "	2237.27	2796.58	13.98
8th "	2089.13	2611.41	13.05	8th "	2251.25	2814.06	14.07
9th "	2102.18	2627.72	13.13	9th "	2265.32	2831.65	14.16
10th "	2115.31	2644.13	13.22	10th "	2279.48	2849.35	14.24
11th "	2128.52	2660.65	13.30	11th "	2293.72	2867.15	14.33
12th "	2141.82	2677.27	13.38	12th "	2308.05	2885.06	14.42
	24812.16	31052.66	155.21		26770.03	33462.50	167.26

TABLE I—Continued.

3rd Year.	Amount paid in.	Inc'se at 20 per cent.	Interest acer'ng	5th Year.	Amount paid in.	Inc'se at 20 per cent.	Interest acer'ng
1st mo.	2322.47	2903.08	14.51	1st mo.	2696.92	3371.15	16.85
2d "	2336.98	2921.22	14.60	2d "	2713.77	3392.21	16.96
3d "	2351.58	2939.47	14.69	3d "	2730.73	3413.41	17.06
4th "	2366.27	2957.83	14.78	4th "	2747.79	3434.73	17.17
5th "	2381.05	2976.31	14.88	5th "	2764.96	3456.20	17.28
6th "	2395.93	2994.91	14.97	6th "	2782.24	3477.80	17.38
7th "	2410.90	3013.62	15.06	7th "	2799.62	3499.52	17.49
8th "	2425.96	3032.45	15.16	8th "	2817.11	3521.38	17.60
9th "	2441.12	3051.40	15.25	9th "	2834.71	3543.58	17.71
10th "	2456.37	3070.46	15.35	10th "	2852.42	3565.52	17.82
11th "	2471.72	3089.65	15.44	11th "	2870.24	3587.80	17.93
12th "	2487.16	3108.95	15.54	12th "	2888.17	3610.21	18.05
	28847.51	36059.35	180.23		33498.68	41873.51	209.30

4th Year.	Amount paid in.	Inc'se at 20 per cent.	Interest acer'ng	6th Year.	Amount paid in.	Inc'se at 20 per cent.	Interest acer'ng
1st mo.	2502.70	3128.37	15.64	1st mo.	2906.22	3632.77	18.16
2d "	2518.34	3147.92	15.73	2d "	2924.38	3655.47	18.27
3d "	2534.07	3167.58	15.83	3d "	2942.65	3678.31	18.39
4th "	2549.90	3187.37	15.93	4th "	2961.04	3701.42	18.50
5th "	2565.83	3207.28	16.03	5th "	2979.54	3724.42	18.62
6th "	2581.86	3227.32	16.13	6th "	2998.16	3747.70	18.73
7th "	2597.99	3247.48	16.23	7th "	3016.89	3771.11	18.85
8th "	2614.22	3267.77	16.33	8th "	3035.74	3794.67	18.97
9th "	2630.55	3288.18	16.44	9th "	3054.71	3818.38	19.09
10th "	2646.99	3308.73	16.54	10th "	3073.80	3842.37	19.21
11th "	2663.53	3329.41	16.64	11th "	3093.01	3866.26	19.33
12th "	2680.17	3350.21	16.75	12th "	3112.34	3890.42	19.45
	31086.15	38857.62	194.22		36098.48	45123.30	225.57

TABLE I.—CONTINUE .

7th Year.	Amount paid in.	Inc'se at 20 per cent.	Interest accr'ng
1st mo.	3131.79	3914.73	19.57
2d "	3151.36	3939.20	19.69
3d "	3171.05	3963.81	19.81
4th "	3190.86	3988.57	19.94
5th "	3210.80	4014.75	20.07
6th "	3230.87	4038.58	20.19
7th "	3251.06	4063.82	20.31
8th "	3271.37	4089.21	20.44
9th "	3291.81	4114.76	20.57
10th "	3312.38	4140.47	20.70
11th "	3333.08	4166.35	20.83
12th "	3353.91	4192.38	20.96
	38900.34	48626.63	243.08

9th Year.	Amount paid in.	Inc'se at 20 per cent.	Interest acc'ng
1st mo.	3636.81	4546.01	22.73
2d "	3659.54	4574.42	22.87
3d "	3682.41	4603.01	23.01
4th "	3705.42	4631.77	23.15
5th "	3728.57	4660.71	23.30
6th "	3751.87	4689.73	23.44
7th "	3775.31	4719.13	23.59
8th "	3798.90	4748.62	23.74
9th "	3822.64	4777.05	23.89
10th "	3846.53	4808.16	24.04
11th "	3870.57	4838.21	24.19
12th "	3894.76	4868.45	24.34
	45173.33	56465.27	282.29

8th Year	Amount paid in.	Inc'se as 20 per cent.	Interest accr'ng
1st mo.	3374.87	4218.58	21.09
2d "	3395 96	4244.95	21.22
3d "	3417.18	4271.47	21.35
4th "	3438.53	4298.16	21.49
5th "	3460.02	4325.02	21.62
6th "	3481.64	4352.05	21.76
7th "	3503.40	4379.25	21.89
8th "	3525.29	4406.61	22.03
9th "	3547.32	4434.15	22.17
10th "	3569.49	4461.87	22.30
11th "	3591.79	4489.73	22.44
12th "	3614.23	4517.78	22.58
	41919.72	52399.62	261.94

10th Year.	Amount paid in.	Inc'se at 20 per cent.	Interest acc 'ng
1st mo.	3919.10	4898.87	24.49
2d "	3943.59	4929.48	24.64
3d "	3968.23	4960.28	24.80
4th "	3993.03	4991.28	24.95
	15823.95	19779.91	98.88

Years.	Am't p'd in.	Inc. 20 p. c.	Int. acc.
1st y'r.	24842.16	31052.66	155.21
2d "	26770.03	33462.50	167.26
3d "	28857.51	36059.35	180.23
4th "	31086.15	38857.62	194.22
5th "	33498.68	41873.51	209.30
6th "	36098.48	45123.30	225.57
7th "	38900.34	48626.63	243.08
8th "	41919.72	52399.62	261.94
9th "	45173.33	56465.27	282.29
4 mos.	15823.95	19779.91	98.88
Total	322960.35	403700.27	2017.98

TABLE II.

AVERAGE PREMIUM TWENTY-FIVE PER CENT.

1st Year.	Amount paid in.	Increase at 25 per cent.	Interest acc'ng.	3d Year.	Amount paid in.	Increase at 25 per cent.	Interest acc'ng.
1st mo.	2000.00	2666.66	13.33	1st mo.	2345.70	3127.60	15.63
2d "	2013.33	2684.44	13.42	2d "	2361.33	3148.44	15.74
3d "	2026.75	2702.33	13.51	3d "	2377.07	3169.42	15.84
4th "	2040.26	2720.34	13.60	4th "	2392.91	3190.54	15.95
5th "	2053.86	2738.48	13.69	5th "	2408.86	3211.81	16.05
6th "	2067.55	2756.73	13.78	6th "	2424.91	3233.21	16.16
7th "	2081.33	2775.10	13.87	7th "	2441.07	3254.76	16.27
8th "	2095.20	2793.60	13.96	8th "	2457.34	3276.45	16.38
9th "	2109.16	2812.21	14.06	9th "	2473.72	3298.29	16.49
10th "	2123.22	2830.96	14.15	10th "	2490.21	3320.29	16.60
11th "	2137.37	2849.82	14.24	11th "	2506.81	3342.42	16.71
12th "	2151.61	2868.80	14.34	12th "	2523.52	3364.69	16.82
	24899.64	33199.47	165 95		29203.45	38937.92	194.64

2d Year.	Amount paid in.	Increase at 25 per cent.	Interest acc'ng.	4th Year.	Amount paid in.	Increase at 25 per cent.	Interest acc'ng.
1st mo.	2165.95	2887.93	14.44	1st mo.	2540.34	3387.12	16.93
2d "	2180.39	2907.18	14.54	2d "	2557.27	3409.69	17.04
3d "	2194.93	2926.57	14.63	3d "	2574.31	3432.41	17.16
4th "	2209.56	2946.08	14.73	4th "	2591.47	3455.29	17.27
5th "	2224.29	2965.72	14.83	5th "	2608.74	3478.32	17.39
6th "	2239.12	2985.49	14.93	6th "	2626.13	3501.50	17.50
7th "	2254.05	3005.40	15.02	7th "	2643.63	3524.84	17.62
8th "	2269.07	3025.02	15.12	8th "	2661.25	3548.33	17.74
9th "	2284.19	3045.58	15.23	9th "	2678.99	3571.85	17.86
10th "	2299.42	3065.89	15.32	10th "	2696.85	3595.80	17.97
11th "	2314.74	3086.32	15.43	11th "	2714.82	3619.76	18.09
12th "	2330.17	3106.89	15.53	12th "	2732.91	3643.88	18.21
	26965.88	35954.07	179.75		31626.71	42168.79	210.78

TABLE II.—Continued.

5th Year.	Amount paid in.	Increase at 25 per cent.	Interest acc'ng.	7th Year.	Amount paid in.	Increase at 25 per cent.	Interest acc'ng.
1st mo.	2751.12	3668.16	18.34	1st mo.	3226.65	4302.20	21.51
2d "	2769.46	3692.61	18.46	2d "	3248.16	4330.88	21.65
3d "	2787.92	3717.22	18.58	3d "	3269.81	4359.74	21.79
4th "	2806.50	3742.00	18.71	4th "	3291.60	4388.80	21.94
5th "	2825.21	3766.94	18.83	5th "	3313.54	4418.05	22.09
6th "	2844.04	3792.05	18.96	6th "	3335.63	4447.50	22.23
7th "	2863.00	3817.33	19.08	7th "	3357.86	4477.14	22.38
8th "	2882.08	3842.77	19.21	8th "	3380.24	4506.98	22.53
9th "	2901.29	3868.38	19.34	9th "	3402.77	4537.02	22.68
10th "	2920.63	3894.17	19.47	10th "	3425.45	4567.26	22.83
11th "	2940.10	3920.13	19.60	11th "	3448.28	4597.70	22.98
12th "	2959.70	3946.26	19.73	12th "	3471.26	4628.34	23.14
	34251.05	45668.02	228.31		40171.25	53561.61	267.75

6th Year.	Amount paid in.	Increase at 25 per cent.	Interest acc'ng.	8th Year.	Amount paid in.	Increase at 25 per cent.	Interest acc'ng.
1st mo.	2979.43	3972.57	19.86	1st mo.	3494.40	4659.20	23.29
2d "	2999.29	3999.05	19.99	2d "	3517.69	4690.25	23.45
3d "	3019.28	4025.70	20.12	3d "	3541.14	4721.52	23.60
4th "	3039.40	4052.53	20.26	4th "	3564.74	4752.98	23.76
5th "	3059.66	4079.54	20.39	5th "	3588.50	4784.66	23.92
6th "	3080.05	4106.73	20.53	6th "	3612.42	4816.56	24.08
7th "	3100.58	4134.10	20.67	7th "	3636.50	4848.66	24.24
8th "	3121.25	4161.66	20.80	8th "	3660.74	4880.98	24.40
9th "	3142.05	4189.40	20.94	9th "	3685.14	4913.52	24.56
10th "	3162.99	4217.32	21.08	10th "	3709.70	4946.26	24.73
11th "	3184.07	4245.42	21.22	11th "	3734.43	4979.24	24.89
12th "	3205.29	4273.72	21.36	12th "	3759.32	5012.42	25.06
	37093 34	49457.74	247.22		43504.72	58006.25	289.98

TABLE II.—Continued.

9th Year.	Amount paid in.	Increase at 25 per cent.	Interest acc'ng.	Years.	Amt. paid in	Increase at 25 per cent.	Interest accruing.
1st mo.	3784.38	5045.84	25.23	1st yr.	24899.64	33199.47	165.95
2d "	3809.61	5079.48	25.39	2d "	26965.88	35954.07	179.75
3d "	3835.00	5113.33	25.56	3d "	29203.45	38937.92	194.64
4th "	3860.56	5147.41	25.73	4th "	31626.71	42168.79	210.78
5th "	3886.29	5181.72	25.90	5th "	34251.05	45668.02	228.31
6th "	3912.19	5216.25	26.08	6th "	37093.34	49457.74	247.22
7th "	3938.27	5251.02	26.25	7th "	40171.25	53561.61	267.75
8th "	3964.52	5286.02	26.43	8th "	43504.72	58006.25	289.98
9th "	3990.95	5321.26	26.60	9 mos.	34981.77	46642.33	233.17
	34981.77	46642.33	233.17	Total.	302697.81	403596.20	2017.55

TABLE III.

AVERAGE PREMIUM THIRTY PER CENT.

1st Year.	Amount paid in.	Increase at 30 per cent.	Interest acc'ng.	2d Year.	Amount paid in.	Increase at 30 per cent.	Interest acc'ng.
1st mo.	2000.00	2857.14	14.28	1st mo.	2178.30	3111.85	15.56
2d "	2014.28	2877.54	14.38	2d "	2193.86	3134.08	15.67
3d "	2028.66	2898.08	14.49	3d "	2209.53	3156.47	15.78
4th "	2043.15	2918.78	14.59	4th "	2225.31	3179.01	15.89
5th "	2057.74	2939.62	14.69	5th "	2241.20	3201.71	16.00
6th "	2072.43	2960.61	14.80	6th "	2257.20	3224.57	16.12
7th "	2087.23	2981.75	14.91	7th "	2273.32	3247.60	16.24
8th "	2102.14	3003.05	15.02	8th "	2289.56	3270.80	16.35
9th "	2117.16	3024.51	15.12	9th "	2305.91	3294.15	16.47
10th "	2132.28	3046.11	15.23	10th "	2322.38	3317.68	16.59
11th "	2147.51	3067.87	15.34	11th "	2338.97	3341.38	16.71
12th "	2162.85	3089.78	15.45	12th "	2355.68	3365.25	16.83
	24965.43	35664.84	178.30		27191.22	38844.55	194.21

TABLE III.—CONTINUED.

3d Year.	Amount paid in.	Increase at 30 per cent.	Interest acc'ng.	5th Year.	Amount paid in.	Increase at 30 per cent.	Interest acc'ng.
1st mo.	2372.51	3389.30	16.95	1st mo.	2814.47	4020.67	20.10
2d "	2389.46	3413.51	17.07	2d "	2834.57	4049.38	20.25
3d "	2406.53	3437.90	17.19	3d "	2854.82	4078.31	20.39
4th "	2423.72	3462.45	17.31	4th "	2875.21	4107.44	20.54
5th "	2441.03	3487.18	17.43	5th "	2895.75	4136.78	20.68
6th "	2458.46	3512.08	17.56	6th "	2916.43	4166.32	20.83
7th "	2476.02	3537.17	17.69	7th "	2937.26	4196.08	20.98
8th "	2493.71	3562.44	17.81	8th "	2958.24	4226.05	21.13
9th "	2511.52	3587.88	17.94	9th "	2979.37	4256.24	21.28
10th "	2529.46	3613.51	18.07	10th "	3000.65	4286.64	21.43
11th "	2547.53	3639.32	18.20	11th "	3022.08	4317.25	21.59
12th "	2565.73	3665.32	18.33	12th "	3043.67	4348.10	21.74
	29615.68	42308.06	211.55		35132.52	50189.26	250.94

4th Year.	Amount paid in.	Increase at 30 per cent	Interest acc'ng.	6th Year.	Amount paid in.	Increase at 30 per cent.	Interest acc'ng.
1st mo.	2584.06	3691.51	18.46	1st mo.	3065.41	4379.15	21.90
2d "	2602.52	3717.88	18.59	2d "	3087.31	4410.44	22.05
3d "	2621.11	3744.44	18.72	3d "	3109.36	4441.94	22.21
4th "	2639.83	3771.18	18.86	4th "	3131.57	4473.67	22.37
5th "	2658.69	3798.12	18.99	5th "	3153.94	4505.62	22.53
6th "	2677.68	3825.25	19.13	6th "	3176.47	4537.81	22.69
7th "	2696.81	3852.58	19.26	7th "	3199.16	4570.22	22.85
8th "	2716.07	3880.10	19.40	8th "	3222.01	4602.87	23.01
9th "	2735.47	3907.81	19.54	9th "	3245.02	4635.74	23.18
10th "	2755.01	3935.72	19.68	10th "	3268.20	4668.85	23.34
11th "	2774.69	3963.84	19.82	11th "	3291.54	4702.20	23.51
12th "	2794.51	3992.14	19.96	12th "	3315.05	4735.78	23.68
	32256.45	46080.57	230.41		38265.04	54664.29	273.32

TABLE III.—Continued.

7th Year.	Amount paid in.	Increase at 30 per cent.	Interest acc'ng.	8th Year.	Amount paid in.	Increase at 30 per cent.	Interest acc'ng.
1st mo.	3338.73	4769.61	23.85	1st mo.	3636.44	5194.91	25.97
2d "	3362.58	4803.68	24.02	2d "	3662.41	5232.01	26.16
3d "	3386.60	4838.00	24.19	3d "	3688.57	5269.38	26.35
4th "	3410.79	4872.55	24.36	4th "	3714.92	5307.02	26.54
5th "	3435.15	4907.35	24.54	5th "	3741.46	5344.94	26.72
6th "	3459.69	4942.41	24.71	6th "	3768.18	5383.11	26.92
7th "	3484.40	4977.71	24.89	7th "	3795.10	5421.57	27.11
8th "	3509.29	5013.27	25.07	8th "	3822.21	5460.30	27.30
9th "	3534.36	5049.08	25.25	9th "	3849.51	5499.30	27.50
10th "	3559.61	5085.15	25.43	10th "	3877.01	5538.58	27.69
11th "	3585 04	5121.48	25.61	11th "	3904.70	5578.14	27.89
12th "	3610.65	5158.07	25.79	12th "	3932.59	5617.98	28.09
	41676.89	59538.36	297.71		45393.10	64847.24	324.24

9th Year.	Amount paid in.	Increase at 30 per cent.	Interest acc'ng.
1st mo.	3960.68	5658.11	28.29
2d "	3988.97	5698.52	28.49
	7949.65	11356 63	56.78

Years.	Amount paid in.	Increase at 30 per cent.	Interest acc'ng.
1st yr.	24965.43	35664.84	178.30
2d "	27191.22	38844.55	194.21
3d "	29615.68	42308.06	211.55
4th "	32256.45	46080.57	230.41
5th "	35132.52	50189.26	250.94
6th "	38265.04	54664.29	273.32
7th "	41676.89	59538.36	297.71
8th "	45393.10	64847.24	324.24
2 mos.	7949.65	11356·63	56.78
Total.	282445.98	403493.80	2018.46

TABLE IV.

AVERAGE PREMIUM THIRTY-FIVE PER CENT.

1st Year.	Amount paid in.	Inc'se at 35 per cent.	Interest acc'ng.	3rd Year.	Amount paid in.	Inc'se at 35 per cent.	Interest accr'ng.
1st mo.	2000.00	3076.92	15.38	1st mo.	2403.82	3698.18	18.49
2d "	2015.38	3100.58	15.50	2d "	2422.31	3726.63	18.63
3d "	2030.88	3124.43	15.62	3d "	2440.94	3755.29	18.78
4th "	2046.50	3148.46	15.74	4th "	2459.72	3784.18	18.92
5th "	2062.24	3172.69	15.86	5th "	2478.64	3813.29	19.07
6th "	2078.10	3198.16	15.99	6th "	2497.71	3842.32	19.21
7th "	2094.09	3221.67	16.11	7th "	2516.92	3872.18	19.36
8th "	2110.20	3246.46	16.23	8th "	2536.28	3901.96	19.51
9th "	2126.43	3271.43	16.36	9th "	2555.79	3931.98	19.66
10th "	2142.79	3296.60	16.48	10th "	2575.45	3962.23	19.81
11th "	2159.27	3321.95	16.61	11th "	2595.26	3992.86	19.96
12th "	2175.88	3347.50	16.74	12th "	2615.22	4023.41	20.12
	25041.76	38526.85	192.62		30098.06	46304.51	231.52

2nd Year.	Amount paid in.	Inc'se at 35 per cent.	Interest accr'ng.	4th Year.	Amount paid in.	Inc'se at 35 per cent.	Interest accr'ng.
1st mo.	2192.62	3373.41	16-87	1st mo.	2635.34	4054.36	20.27
2d "	2209.49	3399.21	17.00	2d "	2655.61	4085.55	20.43
3d "	2226.49	3425.36	17.13	3d "	2676.04	4116.98	20.58
4th "	2243.62	3451.72	17.26	4th "	2696.62	4148.64	20.74
5th "	2260.88	3478.27	17.39	5th "	2717.36	4180.55	20.90
6th "	2278.27	3505.03	17.53	6th "	2738.26	4212.70	21.06
7th "	2295.80	3532.00	17.66	7th "	2759.32	4245.10	21.23
8th "	2313.46	3559.16	17.80	8th "	2780.55	4277.76	21.39
9th "	2331.26	3586.55	17.93	9th "	2801.94	4310.67	21.55
10th "	2349.19	3614.13	18.07	10th "	2823.49	4343.83	21.72
11th "	2367.26	3641.93	18.21	11th "	2845.21	4377.23	21.89
12th "	2385.47	3669.95	18.35	12th "	2867.10	4410.92	22.05
	27453.81	42236.72	211.20		32996.84	50764.29	253.81

TABLE IV.—Continued.

5th Year.	Amount paid in.	Inc'se at 35 per cent.	Interest accr'ng.
1st mo.	2889.15	4444.84	22.22
2d "	2911.37	4479.03	22.40
3d "	2933.77	4513.49	22.57
4th "	2956.34	4548.21	22.74
5th "	2979.08	4583.20	22.92
6th "	3002.00	4618.46	23.09
7th "	3025.09	4653.98	23.27
8th "	3048.36	4689.78	23.45
9th "	3071.81	4725.86	23.63
10th "	3095.44	4762.21	23.81
11th "	3119.25	4798.84	23.99
12th "	3143.24	4835.75	24.18
	36174.90	55653.65	278.27

7th Year.	Amount paid in.	Inc'se at 35 per cent.	Interest accr'ng.
1st mo.	3472.49	5342.29	26.71
2d "	3499.20	5383.38	26.92
3d "	3526.12	5424.80	27.12
4th "	3553.24	5466.52	27.33
5th "	3580.57	5508.56	27.54
6th "	3608.11	5550.93	27.75
7th "	3635.86	5593.63	27.97
8th "	3663.83	5636.66	28.18
9th "	3692.01	5680.01	28.40
10th "	3720.41	5723.70	28.62
11th "	3749.03	5767.73	28.84
12th "	3777.87	5812.10	29.06
	43478.74	66890.31	334.44

6th Year.	Amount paid in.	Inc'se at 35 per cent.	Interest accr'ng.
1st mo.	3167.42	4872.95	24.36
2d "	3191.78	4910.43	24.55
3d "	3216.33	4948.20	24.74
4th "	3241.07	4986.26	24.93
5th "	3266.00	5024.61	25.12
6th "	3291.12	5063.26	25.32
7th "	3316.44	5102.21	25.51
8th "	3341.95	5141.46	25.71
9th "	3367.66	5181.01	25.91
10th "	3393.57	5220.87	26.10
11th "	3419.67	5261.03	26.31
12th "	3445.98	5301.50	26.51
	39658.99	61013.79	305.07

8th Year.	Amt. p'd in	Inc. 35 p. c.	Int. acc.
1st mo.	3806.93	5856.81	29.28
2d "	3836.21	5901.86	29.51
3th "	3865.72	5947.26	29.74
4th "	3895.46	5993.01	29.97
5th "	3925.43	6039.12	30.20
6th "	3955.63	6085.58	30.43
7th "	3986.06	6132.40	30.66
	27371-44	41956.04	209.79

Years.	Amt. p'd in	Inc. 35 p. c.	Int. acc.
1st y'r.	25041.76	38526.85	192.62
2d "	27453.81	42236.72	211.20
3d "	30098.06	46304.51	231.52
4th "	32996.84	50764.29	253.81
5th "	36174.90	55653.65	278.27
6th "	39658.99	61013.79	305.07
7th "	43478.74	66890.31	334.44
7 mos.	27371.44	41956.04	209.79
Total.	262274.54	403346.16	2016.72

TABLE V.

AVERAGE PREMIUM FORTY PER CENT.

1st Year.	Amount paid in.	Increase at 40 per cent.	Interest acc'ng.	3rd Year.	Amount paid in.	Increase at 40 per cent.	Interest acc'ng.
1st mo.	2000.00	3333.33	16.67	1st mo.	2440.80	4068.00	20.34
2d "	2016.67	3361.11	16.81	2d "	2461.14	4101.90	20.51
3d "	2033.48	3389.13	16.95	3d "	2481.65	4136.08	20.68
4th "	2050.43	3417.38	17.09	4th "	2502.33	4170.55	20.85
5th "	2067.52	3445.86	17.23	5th "	2523.18	4205.30	21.03
6th "	2084.75	3474.58	17.37	6th "	2544.21	4240.35	21.20
7th "	2102.12	3503.53	17.52	7th "	2565.41	4275.68	21.38
8th "	2119.64	3532.73	17.66	8th "	2586.79	4311.31	21.56
9th "	2137.30	3562.16	17.81	9th "	2608.35	4347.25	21.74
10th "	2155.11	3591.85	17.96	10th "	2630.09	4383.48	21.92
11th "	2173.07	3621.78	18.11	11th "	2652.01	4420.01	22.10
12th "	2191.18	3651.96	18.26	12th "	2674.11	4456.85	22.28
	25131.27	41885.40	209.44		30670.07	51116.76	255.59

2nd Year.	Amount paid in.	Inc'se at 40 per cent.	Interest accr'ng	4th Year.	Amount paid in.	Inc'se at 40 per cent.	Interest accr'ng
1st mo.	2209.44	3682.40	18.41	1st mo.	2696.39	4493.98	22.47
2d "	2227.85	3713.08	18.57	2d "	2718.86	4531.43	22.66
3d "	2246.42	3744.03	18.72	3d "	2741.52	4569.20	22.85
4th "	2265.14	3775.23	18.88	4th "	2764.37	4607.28	23.04
5th "	2284.02	3806.70	19.03	5th "	2787.41	4645.68	23.23
6th "	2303.05	3838.41	19.19	6th "	2810.64	4684.40	23.42
7th "	2322.24	3870.40	19.35	7th "	2834.06	4723.43	23.62
8th "	2341.59	3902.65	19.51	8th "	2857.68	4762.80	23.81
9th "	2361.10	3935.16	19.68	9th "	2881.49	4802.48	24.01
10th "	2380.78	3967.96	19.84	10th "	2905.50	4842.50	24.21
11th "	2400.62	4001.03	20.01	11th "	2929.71	4882.85	24.41
12th "	2420.63	4034.38	20.17	12th "	2954.12	4923.53	24.62
	27762.88	46271.43	231.36		33881.75	56469.56	282.35

TABLE V.—Continued.

5th Year.	Amount paid in.	Inc'se at 40 per cent.	Interest acc'ng.
1st mo.	2978.74	4964.56	24.82
2d "	3003.56	5005.93	52.03
3d "	3028.59	5047.65	25.24
4th "	3053.83	5089.71	25.45
5th "	3079.28	5132.13	25.66
6th "	3104.94	5174.90	25.87
7th "	3130.81	5218.01	26.09
8th "	3156.90	5261.50	26.31
9th "	3183.21	5305.35	26.53
10th "	3209.74	5349.56	26.75
11th "	3236.49	5394.15	26.97
12th "	3263.46	5439.10	27.20
	37429.55	62382.55	311.92

7th Year.	Amount paid in.	Inc'se at 40 per cent.	Interest acc'ng.
1st mo.	3635.21	6058.68	30.29
2d "	3665.50	6109.16	30.55
3d "	3696.05	6160.08	30.80
4th "	3726.85	6211.41	31.06
5th "	3757.91	6263.18	31.32
6th "	3789.23	6315.38	31.58
7th "	3820.81	6368.01	31.84
8th "	3852.65	6421.08	32.11
9th "	3884.76	6474.60	32.37
10th "	3917.13	6528.55	32.64
11th "	3949.77	6582.95	32.91
12th "	3982.68	6637.80	33.19
	45678.55	76130.88	380.66

6th Year.	Amount paid in.	Inc'se at 40 per cent.	Interest acc'ng.
1st mo.	3290.66	5484.43	27.42
2d "	3318.08	5530.13	27.65
3d "	3345.73	5576.21	27.88
4th "	3373.61	5622.68	28.11
5th "	3401.72	5669.53	28.35
6th "	3430.07	5716.78	28.58
7th "	3458.65	5764.41	28.82
8th "	3487.47	5812.45	29.06
9th "	3516.53	5860.88	29.30
10th "	3545.83	5909.71	29.55
11th "	3575.38	5958.96	29.79
12th "	3605.17	6008.61	30.04
	41348.90	68914.78	344.56

Years.	Am't p'd in.	Inc. 40 p. c.	Int. acc.
1st y'r.	25131.27	41885.40	209.44
2d "	27762.88	46271.43	231.36
3d "	30670.07	51116.76	255.59
4th "	33881.75	56469.56	282.35
5th "	37429 55	62382.55	311.92
6th "	41348.90	68914.78	344 55
7th "	46578.55	76130.88	380.66
Total.	242802.97	403171.36	[illegible].87

TABLE VI.

AVERAGE PREMIUM FORTY-FIVE PER CENT.

1st Year.	Amount paid in.	Increase at 45 per cent.	Interest acc'ng.	3rd Year.	Amount paid in.	Increase at 45 per cent.	Interest acc'ng.
1st mo.	2000.00	3636.36	18.18	1st mo.	2485.17	4518.49	22.59
2d "	2018.18	3669.41	18.35	2d "	2507.76	4559.56	22.80
3d "	2036.53	3702.78	18.51	3d "	2530.56	4601.01	23.01
4th "	2055.04	3736.43	18.68	4th "	2553.57	4642.85	23.21
5th "	2073.72	3770.40	18.85	5th "	2576.78	4685.05	23.43
6th "	2092.57	3804.67	19.02	6th "	2600.21	4727.65	23.64
7th "	2111.59	3839.25	19.20	7th "	2623.85	4770.65	23.85
8th "	2130.79	3874.16	19.37	8th "	2647.70	4814.00	24.07
9th "	2150.16	3909.38	19.55	9th "	2671.77	4857.76	24.29
10th "	2169.71	3944.92	19.72	10th "	2696.06	4901.92	24.51
11th "	2189.43	3980.78	19.90	11th "	2720.57	4946.49	24.73
12th "	2209.33	4016.96	20.08	12th "	2745.30	4991.45	24.96
	25237.05	45885.50	229.41		31359.30	57016.88	285.09

2nd Year.	Amount paid in.	Increase at 45 per cent.	Interest acc'ng.	4th Year.	Amount paid in.	Increase at 45 per cent.	Interest acc'ng.
1st mo.	2229.41	4053.47	20.27	1st mo.	2770.26	5036.83	25.18
2d "	2249.68	4090.32	20.45	2d "	2795.44	5082.61	25.41
3d "	2270.13	4127.50	20.64	3d "	2820.85	5128.81	25.64
4th "	2290.77	4165.03	20.83	4th "	2846.49	5175.43	25.18
5th "	2311.60	4202.90	21.01	5th "	2872.37	5222.49	26.31
6th "	2332.61	4241.10	21.21	6th "	2898.48	5269.96	26.65
7th "	2353.82	4279.67	21.40	7th "	2924.83	5317.87	26.59
8th "	2375.22	4318.58	21.59	8th "	2951.42	5366.21	26.83
9th "	2396.81	4357.83	21.79	9th "	2978.25	5415.00	27.08
10th "	2418.60	4397.45	21.99	10th "	3005.33	5464.23	27.32
11th "	2440.59	4437.43	22.19	11th "	3032.65	5513.90	27.57
12th "	2462.78	4477.78	22.39	12th "	3060.22	5564.03	27.82
	28132.02	51149.06	255.76		34956.59	63557.37	317.78

TABLE VI.—Continued.

5th Year.	Amount paid in.	Inc'se at 45 per cent.	Interest acc'ng.
1st mo.	3088.04	5614.61	28.07
2d "	3116.11	5665.65	28.33
3d "	3144.44	5717.16	28.59
4th "	3173.03	5769.14	28.85
5th "	3201.88	5821.60	29.11
6th "	3230.99	5874.52	29.37
7th "	3260.36	5927.92	29.64
8th "	3290.00	5981.81	29.91
9th "	3319.91	6036.20	30.18
10th "	3350.04	6091.07	30.46
11th "	3380.50	6146.36	30.73
12th "	3411.23	6202.23	31.01
	38966.53	70848.27	354.25

7th Year.	Amount paid in.	Inc'se at 45 per cent.	Interest acc'ng.
1st mo.	3837.10	6976.54	34.88
2d "	3871.98	7038.12	35.19
3d "	3907.17	7103.94	35.52
4th "	3942.69	7168 52	35.84
5th "	3978.53	7233.69	36.17
	19537.47	35520.81	177.60

Years.	Amount paid in.	Inc'se at 45 per cent.	Interest acc'ng.
1st year.	25237.05	45885.50	229.41
2d "	28132.02	51149.06	255.76
3d "	31359.30	57016 88	285.09
4th "	34956.59	63557.37	317.78
5th "	38966.53	70848.27	354.25
6th "	43135.94	78972.58	394.86
5 mos.	19537.47	35520.81	177.60
Total.	221624.90	402950.47	2014.75

6th Year.	Amount paid in.	Increase at 45 per cent.	Interest acc'ng.
1st mo.	3442.24	6258.61	31.29
2d "	3473.53	6313.69	31.57
3d "	3505.10	6372.91	31.86
4th "	3536.96	6430.83	32.15
5th "	3569.11	6489.29	32.45
6th "	3601.56	6548.29	32.74
7th "	3634.30	6607.81	33.04
8th "	3667.34	6667.89	33.34
9th "	3700.68	6728.50	33.64
10th "	3734.32	6789.67	33.95
11th "	3768.27	6851.40	34.26
12th "	3802.53	6913.69	34.57
	43435.94	78972.58	394.86

TABLE VII.

AVERAGE PREMIUM FIFTY PER CENT.

1st Year.	Amount paid in.	Increase at 50 per cent.	Interest acc'ng.	3rd Year.	Amount paid in.	Increase at 50 per cent.	Interest acc'ng.
1st mo.	2000.00	4000.00	20.00	1st mo.	2539.45	5078.90	25.39
2d "	2020.00	4040.00	20.20	2d "	2564.84	5129.68	25.65
3d "	2040.20	4080.40	20.40	3d "	2590.49	5180.98	25.90
4th "	2060.60	4121.20	20.61	4th "	2616.39	5232.78	26.16
5th "	2081.21	4162.42	20.81	5th "	2642.55	5285.10	26.43
6th "	2102.02	4204.04	21.02	6th "	2668.98	5337.96	26.69
7th "	2123.04	4246.08	21.23	7th "	2695.67	5391.34	26.96
8th "	2144.27	4288.54	21.44	8th "	2722.63	5444.26	27.22
9th "	2165.71	4331.42	21.66	9th "	2749.85	5499.70	27.50
10th "	2187.37	4374.74	21.87	10th "	2777.35	5554.70	27.77
11th "	2209.24	4418.48	22.09	11th "	2805.12	5610.24	28.05
12th "	2231.33	4462.66	22.31	12th "	2833.17	5666.34	28.33
	25364.99	50729.98	253.64		32206.49	64411.98	322.05

2nd Year.	Amount paid in.	Increase at 50 per cent.	Interest acc'ng.	4th Year.	Amount paid in.	Increase at 50 per cent.	Interest acc'ng.
1st mo.	2253.64	4507.28	22.54	1st mo.	2861.50	5723.00	28.62
2d "	2276.18	4552.36	22.76	2d "	2890.12	5780.24	28.90
3d "	2298.94	4597.88	22.99	3d "	2919.02	5838.04	29.19
4th "	2321.93	4643.86	23.22	4th "	2948.21	5896.42	29.48
5th "	2345.15	4690.30	23.45	5th "	2977.69	5955.38	29.78
6th "	2368.60	4737.20	23.69	6th "	3007.47	6014.94	30.07
7th "	2392.29	4784.58	23.92	7th "	3037.54	6075.08	30.38
8th "	2416.21	4832.42	24.16	8th "	3067.92	6135.84	30.68
9th "	2440.37	4880.74	24.40	9th "	3098.60	6197.20	30.99
10th "	2464.77	4929.54	24.65	10th "	3129 59	6259.18	31.30
11th "	2489.42	4978.84	24.89	11th "	3160.87	6321 74	31.61
12th "	2514.31	5028.62	25.14	12th "	3202.48	6404.96	32.02
	28581.81	57163.62	285.81		36301.01	72602.02	363.02

TABLE VII.—Concluded.

5th Year.	Amount paid in.	Increase at 50 per cent.	Interest acc'ng.
1st mo.	3234.50	6469.00	32.35
2d "	3266.85	6533.70	32.67
3d "	3299.52	6599.04	33.00
4th "	3332.52	6665.04	33.33
5th "	3365.85	6731.70	33.66
6th "	3399.51	6799.02	34.00
7th "	3433.51	6867.02	34.34
8th "	3467.85	6935.70	34.68
9th "	3502.53	7005.06	35.03
10th "	3537.56	7075.12	35.38
11th "	3572.94	7145.88	35.73
12th "	3608.67	7217.34	36.09
	41021.81	82043.62	410.26

Years.	Amount paid in.	Increase at 50 per cent.	Interest acc'ng.
1st year.	25364.99	50729.98	253.64
2d "	28581.81	57163.62	285.81
3d "	32206.49	64411.98	322 05
4th "	36301.01	72602.02	363.02
5th "	41021.81	82043.62	410.26
10 mos.	38132.28	76264.56	381.33
Total,	160 39	403215.78	2016.11

6th Year.	Amount paid in.	Increase at 50 per cent.	Interest acc'ng.
1st mo.	3644.76	7289.52	36.45
2d "	3681.21	7362.42	36.81
3d "	3718.02	7436.04	37.18
4th "	3755.20	7510.40	37.55
5th "	3792.75	7585.50	37.93
6th "	3830.68	7661.36	38.31
7th	3868.99	7737.98	38.69
8th	3907.68	7815.36	39.08
9th "	3946.76	7893.52	39.47
10th "	3986.23	7972.46	39.86
	38132.28	76264.56	381.33

A few Practical Hints to the Officers and Members of Building Associations.

1. We would respectfully recommend to Building Associations, wherever organized, the importance of securing, if possible, the protection of a State Charter. They can, indeed, be conducted with comparative safety, without this legal sanction, by deeding the property to the Treasurer, in trust, for the benefit of the Association; but this requires additional security papers, and in other ways impedes the practical working of the Society. An Act of Incorporation would obviate this difficulty, besides creating increased confidence, and preventing any unnecessary litigation. Nor can there be any difficulty in procuring a charter, where the principles of these Associations are understood; every enlightened legislator will see it to be of the first importance to encourage such a scheme of social and political economy.

2. Some care and judgment should be exercised in selecting officers for a Building Association. The Board of Directors should be composed of men of fair business qualifications and habits, as the general management of the Society is confided into their hands. The Treasurer should be a good accountant and book-keeper, and of high moral character; and the Solicitor thoroughly acquainted with the investigation of titles, and with the laws affecting property.

3. It is highly important that the officers and members of these Associations should be prompt and punctual in discharging their respective obligations; indeed, success depends

upon the observance of this rule. A shareholder should, if possible, be prepared to meet his monthly dues at their maturity; and not subject himself to the penalty of a fine, or the Association to the inconvenience growing out of his neglect; nor should there be any unnecessary delay in deciding upon securities offered by a member who has purchased an advance, or in investigating titles, and drawing up papers connected therewith.

4. As the funds of the Association are sold at a premium, they may, for a while, command a higher rate than a stockholder, who desires to purchase, may feel able or willing to give; let him not, however, on this account, be discouraged, but patiently bide his time,—remembering that the delayed date of the purchase will shorten the time for the additional payment of interest; and further, that every cent paid into the Association is not only so much saved, but invested in the safest possible manner, and accumulating far more rapidly than by any other mode of investing small sums.

FORM OF A CERTIFICATE OF STOCK, WITH RECEIPT APPENDED.

No.

18

Received Certificate No.

for Shares in the

Building and Loan Association in the

name of

CAPITAL, 1600 SHARES.

No. *No. Shares.*

BUILDING AND LOAN ASSOCIATION.

18

This is to certify, That
is entitled to Shares of the Capital or Joint Stock of the Building and Loan Association, subject to the monthly payment by the Proprietor, or Proprietors, of one dollar on each Share, and to such other conditions, &c., as are specified in the Constitutional Rules of said Association.

Transferable by the Proprietor, or his Attorney, on the Books of the Treasurer of the Association.

PRESIDENT.

TREASURER.

A transfer of stock is made by a simple endorsement on the back of the certificate, in the presence of the Treasurer, specifying the number of shares transferred, and the name of the transferee, and signed by the transferring party.

A FORM OF RECEIPT.

SOUTH-CAROLINA BUILDING AND LOAN ASSOCIATION.

CHARLESTON, 185

Received of Dollars

Instalment on Shares, $

Payment on Bond,

Fines,

$

TREASURER.

In some Associations, as a substitute for the above form of receipt, each shareholder is supplied with a small book, ruled and columned after the manner of the Instalment Book, in which entries of payments are made under their respective headings. This plan is attended with less trouble, but has not so much the character of a legal receipt as the one furnished above.

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- 2-month loans may be renewed by calling (510) 642-6753
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- Renewals and recharges may be made 4 days prior to due date.

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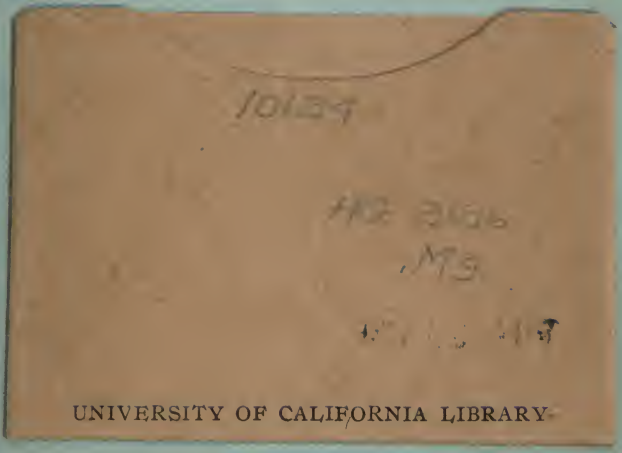
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